

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1219777-0

Total Deleted Page(s) = 1

Page 40 ~ Referral/Direct - File 131-HQ-363 Serial 113/DOJ-Civil
Division;

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FEDERAL BUREAU OF INVESTIGATION

Reporting Office HOUSTON	Office of Origin HOUSTON	Date FEB 25 1958	Investigative Period 1/27; 2/1, 8, 9, 10, 22/58
TITLE OF CASE SS WILSON B. KEENE; SS HIGH FLYER; SS GRANDCAMP; ADMIRALTY NUMBERS 1868, 1869, 1870		Report made by JOSEPH J. DOOLING	Typed By: ys
		CHARACTER OF CASE ADMIRALTY MATTER	

Synopsis:

Records, U. S. Customs, Houston and Galveston, Texas, covering period April, 1945 to April, 1947, have been destroyed. Trial postponed until 3/31/58.

- P -

DETAILS:

On February 10, 1958, R. R. ROLLINS, U. S. Customs, Houston, Texas, advised that all out bound manifests in Galveston, Texas, prior to 1952 have been destroyed. Also, all such records in Houston prior to July 1, 1947, have been destroyed.

On February 22, 1958, Mr. DALE GREEN, Departmental Attorney, telephonically contacted Special Agent JOSEPH J. DOOLING. During this conversation he advised that trial in this matter had been postponed by U. S. District Judge BEN C. CONNALLY until March 31, 1958. Mr. GREEN advised that he would

Approved <i>H</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: 2 - Bureau (131-363) 1 - USA, Houston 2 - Houston (131-39)		99	REC-29
		2 FEB 28 1958	EX-135

*FEB 25
131-363
3/4/58
E.O.*
35 MAR 5 1958

HO 131-39

be proceeding to Paris, France, to take depositions in this matter and he would contact Special Agent JOSEPH J. DOOLING between March 10 and March 15, 1958.

- P -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: FEB 25 1958

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NOS. 1868, 1869, 1870
ADMIRALTY MATTEREnclosed for the Bureau are two copies of the report
of SA JOSEPH J. DOOLING dated _____ at Houston.REFERENCE

Report of SA JOSEPH J. DOOLING dated 1/31/58, at Houston.

LEADSHOUSTON:AT HOUSTON, TEXAS:

1. Will maintain contact with AUSA JAMES E. ROSS, Houston, and advise the Bureau immediately on any additional requests for investigation in this matter.
2. Will follow and report court action.

(2) - Bureau (Encl. 2)
2 - HoustonJJD:ys
(4)

REC-29

EX-135

FEB 28 1958

100

ENCLOSURE

FEB 25

MAR 5 1958 EX-135

FEDERAL BUREAU OF INVESTIGATION

Reporting Office DALLAS	Office of Origin HOUSTON	Date 2/24/58	Investigative Period 2/24/58
TITLE OF CASE SS WILSON B. KEENE, SS HIGHFLYER, SS GRANDCAMP, Admiralty Numbers 1868, 1869, 1870		Report made by VINCENT E. J. DRAIN	Typed By: mac
		CHARACTER OF CASE ADMIRALITY MATTER	

Synopsis:

JAMES CLOICE WOMACK, Dallas, Texas, contacted 2/24/58, does not desire to make additional comments regarding previous statement made by him, and does not desire to testify in instant matter.

- RUC -

DETAILS:

JAMES CLOICE WOMACK, who presently resides at 1329 Longview Street, Mesquite, Texas, and who is employed by the Jones-Blair Paint Company, Dallas, Texas, was interviewed on February 24, 1958, by SA VINCENT E. J. DRAIN.

WOMACK stated he did not desire to furnish any additional information other than what he had previously furnished to this office in a signed statement several months ago, in view of the fact that during the past fall of 1957, exact date he can not remember, he was interviewed

Approved	Special Agent In Charge	Do not write in spaces below	
Copies made:		101	REC-11
2 - Bureau (131-363) 3 - Houston (131-39) (1-USA, HO) 1 - Dallas (131-7)		3-3 13 FEB 28 1958	
		EX-128	

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at the United States Federal Post Office, Dallas, Texas, by departmental attorneys believed by him to be from Houston. WOMACK advised that he would not willingly testify in instant case unless subpoenaed because he would lose money during time he was away from his job with the Jones-Blair Paint Company. WOMACK explained he was working on an hourly wage basis for that company and would suffer considerably financially. He stated that he would testify under subpoena but would be an unwilling witness. WOMACK stated he had nothing against testifying in instant matter other than the fact it would hurt him financially. No other individual, according to WOMACK, has questioned him regarding this matter other than those referred to above.

- RUC -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 2/24/58

FROM : SAC, DALLAS (131-7)

SUBJECT: SS WILSON B. KEENE,
SS HIGHFLYER,
SS GRANDCAMP,
Admiralty Numbers
1868, 1869, 1870
ADMIRALTY MATTER

00 - Houston

Enclosed herewith are two copies of report of SA
VINCENT E. J. DRAIN dated 2/24/58 at Dallas.

REFERENCES

Dallas airtel to Houston, 2/19/58.
Airtel from Bureau to Houston, 2/17/58.

2 - Bureau (Enclos. 2)
2 - Houston (131-39)
1 - Dallas
VEJD:mac
(5)

REG- 11

Digitized by srujanika@gmail.com

86 MAR 7 1958

FEDERAL BUREAU OF INVESTIGATION

Reporting Office KNOXVILLE	Office of Origin HOUSTON	Date 2/26/58	Investigative Period 2/19, 20/58
TITLE OF CASE SS WILSON B. KEENE SS HIGHFLYER SS GRANDCAMP Limitation of Liability, April 16, and 17, 1947 Petitions of Lykes Brothers Steamship Company and Republic of France		Report made by EBER PATTERSON	Typed By: ps
		CHARACTER OF CASE ADMIRALTY MATTERS	

Synopsis:
**Southern Texas,
Admiralty Nos. 1868, 1869, 1870**

WILLIAM KEETON THOMPSON, a longshoreman, employed in loading the SS GRANDCAMP on the date of the explosion, is presently employed at Graham's 66 Service Station, E. Madison Street, Athens, Tennessee, and resides at 235 Central Avenue, Athens, Tennessee. THOMPSON did not see any smoking or drinking on the SS GRANDCAMP and does not recall any broken bags being stuffed between the cargo battens and the shell of the ship. He states he is willing to travel to Houston, Texas, and testify under oath concerning the information he has furnished in this matter.

- RUC -

DETAILS: **WALTER N. HICKS, Owner, Walt's Texaco Service Station, East Ridge, Tennessee, advised on 2/19/58 that WILLIAM KEETON THOMPSON left his employment at that station in the fall of 1957 and went to Texas for some time but is now reported to be back in Athens, Tennessee.**

Approved <i>2/20/58</i>	Special Agent in Charge	Do not write in spaces below		
Copies made: ② - Bureau (131-363) 3 - Houston (131-39) (1 - USA Houston) 1 - Knoxville (131-4)		131-363-	103	REC-42
		3-4	16 FEB 22 1958	EX-135

FEDERAL BUREAU OF INVESTIGATION
INTERVIEW REPORT

2/26/53

WILLIAM KEETON THOMPSON, who resides at 235 Central Avenue, Athens, Tennessee, telephone number 692-R, and is employed at Graham's 66 Service Station, East Madison Street, Athens, Tennessee, telephone number 411, was recontacted 2/20/58 concerning his recollection of the events previously reported by him concerning the explosions at Texas City, Texas, on the morning of 4/16/47.

THOMPSON stated that he recalls very clearly many of his activities on that date and he repeated much of the information previously furnished by him. He repeated that he never saw any smoking in the holds or on the wharfs by anyone, and does not recall seeing any of the French crew smoking. He stated that he does not recall seeing a guard of any kind around where they were working.

THOMPSON related that he does not recall any special instructions regarding smoking on the SS GRANDCAMP, but stated that everyone working there knew that there was to be no smoking.

He expressed the opinion that the holds of the SS GRANDCAMP were generally clean and stated that he does not recall that there was any waste paper or other such items scattered around in the holds. He stated that whenever a bag was broken open and spilled, that the fertilizer was scooped up and rebagged whenever possible and that the torn bag was then disposed of on the wharf and was not left in the hold as rubbish. He stated that whenever a bag broke open in the hold, which was not very frequent, that the fertilizer would sometimes sift down between the other bags and could not be rebagged, but that the torn bag would be sent out of the hold to be disposed of.

THOMPSON advised that he did not pay any particular attention to the French crew of the ship, as he was unable to talk with them, and stated that he did not see any drinking or drunkenness on the ship. He also stated that he did not see any liquor on board the vessel.

Interview with WILLIAM KEETON THOMPSON File # 131-4
on 2/20/58 at Athens, Tennessee Dictated 2/21/58
by Special Agent EBER PATTERSON ps

With regards to ammunition on board the SS GRANDCAMP, THOMPSON stated that he has no information as to the quantity, description or size of the ammunition, but does recall that as he was leaving the vessel he saw a longshoreman taking some ammunition off the ship and this longshoreman, whose name is believed to be "BILL" CORBETT, asked him to help take the ammunition off the ship but that he, THOMPSON, did not stop. He stated that he recalls that CORBETT was on the deck of the ship and there was one or more persons down in the hold passing the ammunition up to CORBETT, but that he did not look down into the hold to see who was in it.

He stated that he did not pay any attention to the ammunition but does recall that CORBETT stated that it was ammunition he was taking off the ship.

THOMPSON expressed the belief that the bags they were loading on the SS GRANDCAMP were labeled "Ammonium Nitrate" but that the longshoremen usually referred to it as "fertilizer". He said that he does not recall ever seeing any broken bags stuffed between the cargo battens and the shell of the ship on the inshore side of the vessel. He commented that no one had advised them of the nature or characteristics of the material being loaded.

He advised that he is willing to testify under oath concerning the information he has furnished in this matter. He said that shortly after the disaster, some men, dressed in civilian clothing, talked with him about the explosions and made a wire recording of his answers. He said that he is not sure as to the identity of these men, but is of the opinion that they were FBI Agents. He said that a Coast Guard hearing was held at Galveston, Texas, a couple of weeks after the disaster and that he appeared at this hearing but was not called upon to testify. He stated that no one else has interviewed him concerning this matter except Special Agents of the Federal Bureau of Investigation.

THOMPSON was advised that this matter has been tentatively set for trial on March 24, 1958, at Houston, Texas, and that he may be called as a witness by the Government. He stated that he is willing to drive his

KX 131-4

personally owned car to Houston, Texas, in order to attend this trial provided he is paid travel expenses at the rate of 7¢ per mile plus \$12.00 per day. He requested that he be notified as soon as possible if he is to make this trip.

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- 1 -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 2/26/58

FROM : SAC, KNOXVILLE (131-4)

SUBJECT: SS WILSON E. KEENE

SS HIGHFLYER

SS GRANDCAMP

Limitation of Liability,

April 16, and 17, 1947

Petitions of Lykes Brothers

Steamship Company and

Republic of France

Southern Texas,

Admiralty Nos. 1868, 1869, 1870

ADMIRALTY MATTERS

Enclosed herewith is report of SA EBER PATTERSON,
dated 2/26/58, at Knoxville.

REFERENCE

Bureau air-tel to Houston, dated 2/17/58.

REC-42

131-363-104

3-4

(2) - Bureau (Encls - 2)
2 - Houston (131-39) (Encls - 3)
1 - Knoxville

EP/ps
(5)

60 MAR 10 1958

FEDERAL BUREAU OF INVESTIGATION

Reporting Office LITTLE ROCK	Office of Origin HOUSTON	Date 3/4/58	Investigative Period 2/18, 21, 26-28/58
TITLE OF CASE SS WILSON B. KEENE, SS HIGHFLYER, SS GRANDCAMP Admiralty Numbers 1868, 1869, 1870		Report made by EDWIN BROWN	Typed By: amr
		CHARACTER OF CASE ADMIRALTY MATTER	

Synopsis:

LEROY HASKELL WOMACK, 802 Hester Drive, Benton, Ark., advised statement he furnished in 1948, is accurate, and he has no additional information to furnish. WOMACK is willing to appear as witness if so ordered by Government.

- RUC -

DETAILS:

Approved <i>(MC)</i>	Special Agent In Charge <i>OBM</i>	Do not write in spaces below		
Copies made: 2 - Bureau (131-363) 3 - Houston (131-39) (Encl 1) (RM) (1-USA) 1 - Little Rock (131-7)		131-363-105	6-6-78	
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		8 MAR 6 1958		
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64 MAR 14 1958 137 U. S. GOVERNMENT PRINTING OFFICE: 1958 O-344750

FEDERAL BUREAU OF INVESTIGATION
INTERVIEW REPORT

March 4, 1958

LEROY HASKELL WOMACK, 802 Hester Drive, Benton, Arkansas, carefully reviewed the original of the signed statement executed by him on March 22, 1948, and advised that he at this time recalls events as outlined in this signed statement.

WOMACK stated that he recalls there was some smoking in the holds or hatches of the SS GRANDCAMP as related by him in his signed statement on March 22, 1958.

He does not know if any of the French crew smoked on the deck around hatches or holds of the SS GRANDCAMP since he did not have much contact or occasion to observe the activities of the French crew.

He did not notice any French guard or watchman on the SS GRANDCAMP who would prevent smoking or other activity on the part of members of the crew.

He does not recall receiving any instructions from anybody concerning smoking on the SS GRANDCAMP. He does recall there were some "no smoking" signs posted in the warehouse.

As he recalls the hold of the SS GRANDCAMP was generally clean as far as ships' holds are concerned, with exception of items which appeared to be a few pieces of scrap chain, exact number not known, and probably six or eight feet in length in the hold. In addition, dust and dirt pretty well covered the floor of the hold. He explained that heavy brown paper was used to cover the floor of the hold which also thus covered the above mentioned items appearing on the floor of the hold. The cargo was then placed on the heavy brown paper; and as the cargo was loaded, the paper was rolled and extended up the walls of the hold. He stated that he worked on the inshore side of the SS GRANDCAMP in hatch or hold number 4.

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Interview with LEROY HASKELL WOMACK File # 131-7on 2/27/58 at Benton, Arkansas 2/28/58by Special Agent EDWIN BROWN/amr

LR 131-7

He did not notice any of the French crew or the crew master smoking, drinking intoxicants, or drunk in the vicinity. He again stated that he had very little contact or occasion to notice the French crew.

He has no knowledge of any ammunition on the SS GRANDCAMP. He recalls that someone mentioned that he had helped move some ammunition from hatch 5 of the SS GRANDCAMP a short time prior to April 16, 1947. He does not recall the identity of the person making such comment other than the first name as JOE. WOMACK stated he does not know anything at all concerning quantity, description or size of the ammunition so referred to by "JOE".

According to WOMACK, the cargo he aided in loading was referred to as "ammonium nitrate 32.5%" by some of the longshoremen. The bags as he recalls were marked "ammonium nitrate 32.5%." He referred to this cargo as fertilizer and some of the others loading the cargo referred to it as fertilizer.

WOMACK stated he has no knowledge that any broken bags were stuffed between the cargo battens and the shell of the vessel. He explained that on occasions when a bag was not too badly torn or broken to stack it, longshoremen would go ahead and stack such torn bag together with other bags of the cargo. On occasions when a bag was too badly torn to so stack, the longshoremen would get new bags and rebag the contents of the broken bags and then stow or stack the rebagged cargo along with other bags of the cargo.

No one advised WOMACK as to the nature or characteristics of the material being loaded. No one ever stated to him whether the material was inflammable, combustible or explosive, and the only label he recalls appearing on these bags is "ammonium nitrate 32.5%." He stated there may have been other writing on the bags which he did not notice or does not now recall.

WOMACK stated he would be willing to testify under oath as to his recollections which are recorded in his original signed statement of March 22, 1948.

Office Memorandum • UNITED STATES GOVERNMENT

TO : SAC (131-7)

FROM : SA EDWIN BROWN

SUBJECT: SS WILSON B. KEENE,
SS HIGHFLYER,
SS GRANDCAMP
Admiralty Numbers 1868, 1869,
1870
ADMIRALTY MATTER

DATE: March 4, 1958

Dictated: February 28, 1958

During the course of interview on February 27, 1958, LEROY HASKELL WOMACK explained to the reporting agent that he has been interviewed on only three occasions concerning events which occurred on the SS GRANDCAMP on April 16, 1947, and shortly prior thereto. He stated these occasions were, first - the time he furnished the original signed statement on March 22, 1948. The second occasion was approximately one year ago when a person, name unrecalled by him but who identified himself as an FBI agent with FBI credentials, interviewed him at Benton, Arkansas, concerning his recollection of information contained in the original signed statement of March 22, 1958. The third occasion was instant interview on February 27, 1958, by the reporting agent.

WOMACK was informed by the reporting agent that this matter has been set for trial at Houston, Texas, on March 24, 1958, and that he may be called as a witness by the Government. WOMACK stated he is willing to travel to Houston if requested to do so by the Government and if the Government pays travel expenses at the rate of 7 cents per mile or first class fare plus \$12 per diem. WOMACK stated he would personally prefer to not make such travel because it would result in loss of earnings or income which he obtains as a result of his present employment at the rate of \$90 to \$100 per week.

WOMACK stated that he at the present time is working for Reynolds Mining Corporation, Bauxite, Arkansas, as a pumper.

During the course of interview, WOMACK related that he was born June 27, 1914, in Pike County, Arkansas, and he attended public schools in that county where he finished the tenth grade and attended for four months in the eleventh grade.

During the course of interview WOMACK stated that he has been trying to forget the Texas City disaster and

LR 131-7

events relating thereto because his wife's half brother, ELDON SELF, was killed in the disaster. He explained that they have assumed he was killed because neither SELF nor his body has ever been located. He explained that he in making inquiries concerning SELF had been advised by people in the area whose identity he does not now recall, that they had seen SELF on April 16, 1947, shortly prior to the explosion working as what appeared to be a member of the Texas City Volunteer Fire Department on the docks. WOMACK assumed that SELF at this time was on his time off and working as a volunteer fire fighter since he had been working during that period as a longshoreman.

Enclosure to Houston:

Original signed statement of LEROY HASKELL WOMACK
dated 3/22/48.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) **DATE:** 3/4/58
FROM : SAC, LITTLE ROCK (131-7)
SUBJECT: SS WILSON B. KEENE,
SS HIGHFLYER,
SS GRANDCAMP
Admiralty Numbers 1868, 1869, 1870
ADMIRALTY MATTER
OO: Houston

Enclosed are two copies of the report of SA EDWIN BROWN dated 3/4/58 at Little Rock.

REFERENCES

Bureau airtel to Houston dated 2/17/58.
Little Rock airtel to Houston dated 2/18/58.
Dallas airtel to Houston dated 2/19/58.
Houston airtel to Little Rock dated 2/24/58.

ADMINISTRATIVE DATA

The dates February 18, 21 and 26, 1958, appearing in period of this report are included as such because on February 18, 1958, Dallas by copy of airtel to Houston dated February 18, 1958, was requested to furnish Photostat of original of signed statement furnished by LEROY HASKELL WOMACK on March 22, 1948.

On February 21, 1958, Little Rock received information by Dallas airtel dated February 19, 1958, that signed statement in question had been returned to the Houston Division.

On February 26, 1958, Little Rock Office received from Houston the signed statement of LEROY HASKELL WOMACK dated March 22, 1948.

RUC

2 - Bureau (Encls 2)
2 - Houston (131-39) (RM)
1 - Little Rock
EB:amr
(5)

REC-74-131-2-106
123-10
3 MAR 1958

ENCLOSURE

64 MAR 14 1958

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (File 131-363)) DATE: 2/28/58
FROM (D. J.) SAC, Little Rock (File 131-7))

SUBJECT: SS WILSON B. KEENE,
SS HIGHFLYER,
SS GRANDCAMP
Admiralty Numbers 1868, 1869, 1870
ADMIRALTY MATTER

This case will be delinquent.

Date of Bureau deadline: 2/28/58

Reason for the delinquency: Request for investigation received LR 2/18/58. On 2/18/58 Dallas requested to forward signed statement necessary to enable coverage of leads. On 2/21/58 Dallas advise received that SS in possession Ho. SS received from Ho 2/26/58. Investigation completed 2/27/58. Report dictated and in preparation.

Date the report or necessary communication will reach the Bureau: 3-4-58

ALL zone designation XXXXX-XXXX-XXXX
X (This applies only to 16 digit numbers) XXXXXXXX

131-363-
NOT RECORDED

14 MAR 13 1958

64 MAR 14 1958 F-136

3-14-58

AIRTEL

TO: SAC, HOUSTON (131-39)

FROM: DIRECTOR, FBI (131-363) -107

CC: WILSON B. KEENE,

CC: HIGHFLYER,

CC: GRANDCAMP

Admiralty Numbers 1868, 1869, 1870
ADMIRALTY MATTER

OFFICE

Re Houston airtel 3-13-58.

The interviews to be conducted by AUSA Ross with the three persons named in reairtel should be conducted in the offices of the U. S. Attorneys and not in Bureau field offices.

It appears that the arranging of such appointments is not one of the Bureau's investigative responsibilities and in the event AUSA Ross makes similar requests in the future Houston should decline to accept them.

2 cc: Little Rock (131-7)

2 cc: Dallas (131-7)

JKP: eem

(8) *✓ ✓ ✓*

W.W.

CJ

Tolson _____
Nichols _____
Boardman _____
Belmont _____
Mohr _____
Persons _____
Rosen _____
Tamm _____
Trotter _____
Nease _____
Tele. Room _____
Holloman _____
Gandy _____

MAIL ROOM

F B I

Date: 3/13/58

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (131-363)
FROM: SAC, HOUSTON (131-39)
SUBJECT: SS WILSON B. KEENE,
SS HIGHFLYER,
SS GRANDCAMP
Admiralty Numbers 1868, 1869, 1870
ADMIRALTY MATTER

On 3/13/58, Assistant United States Attorney JAMES E. ROSS, Houston, Texas, advised he had been authorized by the Department to travel to Little Rock and Dallas to contact witnesses in this case. He had also been authorized to pay these witnesses up to \$35 per day in lieu of the normal \$12 a day allowed. He desires to talk to these witnesses and attempt to evaluate them and discuss the per diem with them.

The witnesses are as follows:

1. LEROY HASKELL WOMACK
802 Hester Drive
Benton, Arkansas
Employed at Bauxite, Arkansas
2. JAMES C. WOMACK
1329 Longview Street
Mesquite, Texas, employed at
JONES - ELAIR PAINT CO.
Dallas, Texas

1-Bureau (AM)
2-Little Rock (131-7) (AM)
2-Dallas (131-7) (AM)
1-Houston

JJD:md
(S)

Approved: [Signature] Sent _____ M Per _____

Special Agent in Charge

F B I

Date:

Transmit the following message via _____

(Priority or Method of Mailing)

HO 131-39

3. ELVIS PEARL BALLEW
6428 Christensen
Dallas, Texas

Mr. ROSS will arrive by plane in Dallas on 3/17/58 to interview JAMES C. WOMACK and ELVIS PEARL BALLEW. He will arrive in Little Rock on the morning of 3/18/58 to interview LEROY HASKELL WOMACK.

Mr. ROSS desires, if possible, that the Little Rock and Dallas Office arrange for these individuals to be present at the FBI Office or at the office of the United States Attorney or at some other place to expedite this matter, as he has depositions scheduled for that week. Mr. ROSS will contact the FBI Offices on his arrival.

Little Rock contact LEROY HASKELL WOMACK and arrange appointment for Mr. ROSS on 3/18/58.

Dallas will contact JAMES C. WOMACK and ELVIS PEARL BALLEW and arrange appointments for Mr. ROSS with these individuals on 3/17/58.

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: 3/19/58
AIRTEL

Transmit the following in _____

(Type in plain text or code)

Via _____
AIRMAIL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (131-363)

FROM: SAC, DALLAS (131-7)

RE: SS WILSON B. KEENE,
 SS HIGHFLYER,
 SS GRANDCAMP
 Admiralty Numbers 1868, 1869, 1870
 ADMIRALTY MATTER

OO - Houston

Re Houston airtel to Bureau, 3/13/58.

The following persons in the Dallas Division were contacted on the dates indicated, and arrangements made for them to appear at the office of the USA, Dallas, Texas, on 3/17/58 at 10:00 AM, for conference as requested in referenced airtel:

JAMES C. WOMACK, 3/14/58;
 ELVIS FERL BALLEW, 3/16/58.

RUC

BOYLE

REC-39

131-363-108

3 - Bureau
 1 - Houston (131-39)
 1 - Dallas
 KRA/sm
 (5)

MAR 22 1958

EX-128

SAC

61 MAR 26 1958

Approved: _____ Sent: _____ M Per: _____

Special Agent in Charge

4-2-58

AIRTEL

REC'D.

TO: SAC, HOUSTON (131-39)

FROM: DIRECTOR, FBI (131-363) *109*

SS WILSON B. KEENE; ET AL.
ADMIRALTY MATTER

Reurairtel 3-31-58.

SA Maurice H. Price presently assigned
to Milwaukee Office.

Make appropriate arrangements to have
SA Price available to testify.

ECP:eem

(4) NOTE: Movement Section advised 4-2-58 that SA Price
assigned at Milwaukee.

Tolson _____
Nichols _____
Boardman _____
Belmont _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Nease _____
Tele. Room _____
Holloman _____
Gandy _____

61 APR 7 1958

13

MAILED 8
APR - 2 1958
COMM-FBI

EW

MAIL ROOM

F B I

Date: March 31, 1958

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (131-363)
 FROM: SAC, HOUSTON (131-39)
 SUBJECT: SS WILSON B. KEENE, ET AL
 ADMIRALITY MATTERS

Re Dallas airtel to Houston 1/28/58 and Bureau
 airtel to Houston 2/17/58 with enclosed departmental
 memorandum dated 2/13/58.

Mr. DALE GREEN, Departmental Attorney, advised
 that since original records of J. D. LATTA cannot be lo-
 cated, it will be necessary to call as a witness SA MAURICE
 H. PRICE who copied pertinent portions of the records of J.
 D. LATTA and E. S. BINNINGS & Company and so testified intro-
 ducing evidence in the Dalehite Trial. Bureau advise present
 assignment of SA PRICE in order that he may be called as a
 witness when necessary.

AUSA JAMES C. ROSS requested the interview of
 EDWARD WOODROW BALLEW in accordance with departmental memoran-
 dum dated 2/13/58. Signed statement not requested but re-
 sults of interview should be furnished by airtel to Houston.

For information of Dallas, original signed state-
 ment furnished by EDWARD WOODROW BALLEW could not be located,
 but enclosed herewith are photostatic copies of pages 469,
 470, and 471 reflecting interview of BALLEW in 1948 at Rusk,
 Texas, as reported in report of SA JAMES A FINLEY, dated
 April 24, 1948, entitled TEXCITE, FEDERAL COURT CLAIMS ACT.

REC-1

109

- ③ - Bureau (131-363) (AM)
- 2 - Dallas (131-7) (AM) (Enclos. 3)
- 1 - Houston (131-39)

JJD/em
 (6)

Approved: SP Sent _____ M Per _____
 Special Agent in Charge

F B I

Date: March 31, 1958

Transmit the following in _____
*(Type in plain text or code)*Via _____
(Priority or Method of Mailing)

Trial in this matter has been postponed until April 7, 1958, and Government witnesses will probably be called during the week of April 14, 1958.

Dallas, at Palestine or Jacksonville, Texas, locate EDWARD WOODROW BALLEW from information in referenced Dallas airtel 1/28/58 and interview in accordance with departmental instructions. Also, ascertain if BALLEW handled fire extinguishers on the GRANDCAMP and question as to the number, size, and effective operation of such fire extinguishers, if any.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: 4/5/58

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (131-363)

FROM: SAC, HOUSTON (131-39)

RE: SS WILSON B. KEENE
SS HIGHFLYER
SS GRANDCAMPLimitation of Liability, April 16 and 17, 1947
Petitions of Lykes Bros. Steamship Company and
Republic of France
Southern Texas, Admiralty Nos. 1868, 1869, 1870
ADMIRALTY MATTERS

Subject case concerning the Republic of France is scheduled for trial, Houston, Texas, 4/7/58, before USDJ BEN C. CONNALLY. The French Government has advised that their case will probably take the first week. The Government has various witnesses subpoenaed and is anticipated that they will commence their testimony on 4/14/58.

Mr. DALE GREEN, Departmental Attorney who is handling the trial, advised on 3/31/58, that since the original records of J. D. Latta and Company, the freight forwarder for the French Supply Counsel, cannot be located, it will be necessary to introduce the pertinent copies of Latta records as copied by SA MAURICE H. PRICE into evidence. He will attempt to have these stipulated from the transcript of the Dalchit case. If this cannot be done, SA PRICE will be called as a witness to introduce his work papers into evidence.

③ - Bureau (AM)
2 - Mobile (AM)
2 - Milwaukee (AM)
1 - Houston

REC-42

131-363-110

EX-135

APR 9 1958

JJD:ys
(8)

Approved: F 333-131-363-110 Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plain text or code)*Via _____
(Priority or Method of Mailing)

HO 131-39

Mr. GREEN also stated that MAURICE LA BROZEC, who served aboard the Grandcamp, will be called as a witness from France by the French Government. On 3/26 and 27/48, at Galveston, Texas, SA FALKNER, along with SA's ROY T. NOONAN and LEO K. COOK, took a signed statement from LA BROZEC. LA BROZEC did not speak any English, and SA FALKNER conducted the interview in French. Should LA BROZEC not testify as in his signed statement, SA FALKNER will be called to rebuke any contradictions and introduce this signed statement into evidence.

If it is necessary to call SA PRICE or SA FALKNER, Houston will advise.

It is requested that these agents be available to come to Houston in the next four weeks, if called. Houston will advise if testimony is needed.

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: 4/5/58

PLAIN TEXT

Transmit the following in _____

(Type in plain text or code)

Via AIRTEL AIRMAIL

(Priority or Method of Mailing)

TO : DIRECTOR, FBI (131-363)
FROM : SAC, DALLAS (131-7)
SUBJECT: SS WILSON B. KEENE; ET AL
ADMIRALTY MATTERS

Re Houston airtel to Bureau dated 3/31/58.

EDWARD WOODROW BALLEW, a married white male, age 31, residence Churchill Street, Jacksonville, Texas, and presently employed by C. J. BOYD, Route 4, Jacksonville, Texas, on 4/4/58 recalled the following information to SAA WILTON H. BREMER concerning his former employment on board the vessel Grandcamp at Texas City, Texas, in April, 1947.

BALLEW recalled being employed four days as a longshoreman in Hold #4 of the Grandcamp on the 8 a.m. to 5 p.m. shift in April, 1947, loading paper bags of ammonium nitrate. The two HASSELL brothers, BILL THOMPSON, and possibly another longshoreman, name not recalled, worked with him on the bottom of this hold. The name of his foreman was BOSWELL. BALLEW said he spent all of his working hours in Hold #4 and at lunch time went to his boarding house in Texas City to eat. He did not recall the name of his employer while working on board this vessel but did recall receiving his pay check sometime later.

BALLEW recalled that the bottom of Hold #4 was damp and contained loose paper and scraps of wood board. He said the vessel appeared to be rather old and Hold #4 appeared to be in an unclean condition. He recalled a "No Smoking" sign at the point he boarded the vessel and does not at this time recall anyone smoking on board. He did not receive any instructions to the effect that the ammonium nitrate was dangerous and did

- 3 - Bureau
- 2 - Houston (131-39)
- 1 - Dallas

W.H.B./sc
(6)

REC-18 / 31-363-111

32 APR 11 1958

Approved: _____ Sent: _____ Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plain text or code)Via _____
(Priority or Method of Mailing)

DL 131-7

not notice any precautions regarding smoking on board except for the "No Smoking" sign. He recalled that some of the paper bags were torn and some of the ammonium nitrate did spill out but does not now recall what was done about the loose ammonium nitrate in the hold.

BALLEW recalled that on the morning the vessel exploded he and the other three or four longshoremen, after uncovering the hatch, went down to the bottom of Hold #4 and before they started loading cargo, someone smelled smoke and soon thereafter observed blue smoke and a reddish flame. Someone then lowered a small fire extinguisher down into the hold on a rope but he did not recall who actually handled this fire extinguisher. BALLEW said he did not handle this fire extinguisher and believes the fire at that time was too large for this small fire extinguisher. Also two crew members climbed down into the bottom of this hold to inspect the fire. BOSWELL then ordered all of the men out of Hold #4 and then ordered them to secure the cover over this hatch, including the tarp. Steam was then released into the hold and the tarp began to swell.

BALLEW said he then walked off the vessel and stopped at the end of the pier warehouse to watch the fire with his brother, PEARL BALLEW, who had been working on a flour boat at the next pier. He said smoke was coming out of Hold #4 and later on the tarp burned before the vessel exploded.

BALLEW said after the explosion his brother PEARL helped him into a truck which took him to a hospital in Galveston, Texas. BALLEW said he suffered a broken right ankle and cuts on his body.

BALLEW said his brother JAMES BALLEW, who also was working on this vessel, later on told him the ship's cargo included binding twine and peanuts. BALLEW said he does not recall anyone

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plain text or code)Via _____
(Priority or Method of Mailing)

DL 131-7

lowering a water hose down into Hold #4 after the fire started and has only a vague recollection of seeing some small arms ammunition on deck before leaving the vessel to watch the fire.

BALLEW said he does not recall longshoremen or crew members smoking on board the Grandcamp either in the hold or on deck, mainly because he was in Hold #4 all of the time. He noticed no guard posted to prevent anyone from smoking but did observe the "No Smoking" sign at the point he boarded the vessel. He received no instructions regarding smoking or regarding the dangerous nature of the fertilizer. He said the vessel appeared to be old and generally unclean. The crew appeared to be composed mostly of average working men with average habits. He did not recall any crew member smoking or drinking liquor. He said the fertilizer being loaded was referred to as "ammonium nitrate." He did not recall the disposition made of broken or torn fertilizer bags and did not know the dangerous characteristics of the cargo being loaded. He also said he had no additional recollection as to the ammunition or fire extinguisher.

BALLEW said he would testify under oath and did not recall being previously contacted by anyone regarding this matter except by Bureau agents. He said he would drive his auto to Houston if needed as a witness. BALLEW said he had never testified in court. He added that he has completed the fourth grade in public schools and for the past ten years has worked in this general vicinity cutting logs. He is presently employed as a mechanic for Mr. BOYD.

- RUC -

BOYLE

- 3 -

Approved _____ Sent _____ M Per _____
Special Agent in Charge

Sayors
✓ Palmer

Skipper Just Missed Blast On Grandcamp

Capt. R. M. Ascornet, 55, white-haired first skipper of the ~~SS~~ Grandcamp, told Tuesday how an order to take 49 days leave prevented him from sailing on his vessel's ill-fated voyage to Texas City.

The Grandcamp blew up at dockside April 16, 1947, setting off the Texas City disaster which killed more than 500 persons.

Attorneys for the United States and France are arguing the financial liability for the disaster.

The French are asking for exoneration or a liability limitation of \$100,000. The United States has suit against the French government for \$60,000,000 damage.

Tuesday was the second day of the hearing before Federal Judge Ben C. Connally in Houston.

Ascornet said he took command of the Grandcamp in Philadelphia in 1946 and boarded it with the vessel's doomed crew.

He said the vessel was fully checked before leaving the United States and was in "perfect condition."

Ascornet added:

"A stocked wine cellar was installed on the vessel in accordance with French maritime regulations."

He said these stipulate that sailors aboard French ships be served wine at each meal.

The ship arrived at Cherbourg and Ascornet said he was ordered to go on leave after taking the vessel to Rouen, a nearby port.

Ascornet said the Grandcamp was one of the Liberty ships passed to France after World War II. He said:

"The Liberty ships were entirely new to French crews and officers."

RE: SS WILSON B. KEENE, REC-11

ETAL

ADMIRALTY MATTER

(Hofile 131-39)

THE HOUSTON CHRONICLE

4/8/58

Houston, Texas

EX-123

1/31-363
NOT RECORDED
167 APR 21 1958

61 APR 25 1958

Texas City Explosion Liability Case Starts

Attorneys for the United States and the Republic of France began their arguments in Federal Court Monday to decide who shall pay for the Texas City disaster.

Attorneys pleading the French case opened with a detailed explanation of their position to Federal Judge Ben C. Connally. The judge will hear the case without a jury.

The French have filed a petition in Federal Court asking complete exoneration or a liability limitation of \$100,000.

The United States has a suit pending asking for \$60,000,000 from the French.

Attending opening sessions of the suit were three former French seamen, survivors of the S.S. Grandcamp, the French freighter which blew up at dockside in Texas City April 16, 1947.

Resulting fires and explosions killed 512 people and caused \$400,000,000 damage. The three are Capt. R. M. Ascornet, the former skipper of the Grandcamp; Maurice LeBrozec, the ship's former chief engineer, and Julien Gueril, the former ship's carpenter.

The case is expected to last three weeks.

The Republic of France filed a suit in the name of its state-owned shipping line, Compagnie Generale Transatlantique. Three New York attorneys and a Houston attorney, Clarence S. Eastham, began pleas for the French.

United States Assistant Dist. Atty. James Ross and Justice Department Atty. Dale M. Green will speak for the United States.

RE: SS WILSON B. KEENE, ETAL
ADMIRALTY MATTER
(Hofile 131-39)

REC-42

THE HOUSTON CHRONICLE
4/7/58
Houston, Texas

60 APR 25 1958 44

EX-128

131-363-7A
NOT RECORDED

6 APR 21 1958

✓ *D 11 1*

Ammunition in Hold Of Grandcamp, Seamen Say

By C. W. SKIPPER

Three former seamen on the SS Grandcamp testified in federal court Wednesday that there was ammunition in the ship's cargo when she blew up at Texas City in 1947, setting off a disaster that took 512 lives.

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TEX

Julien Gueril, the ship's carpenter who fought the fire in hold Number 4 when it was only "a blue, dancing flame," said he helped move ammunition cases in an adjoining hold after he was ordered from the compartment that was afire.

SEVEN MEN helped move the ammunition cases in hold Number 5, Gueril said, and although there was no smoke or flames in that hold, the bulkhead separating the two holds was hot.

"Some of the cases were too heavy to move," Gueril said. "We pushed them away from the bulkhead."

Maurice Le Brozec, chief engineer of the Grandcamp, testified earlier that "someone tol-

me there was ammunition aboard the ship."

SHIP'S NAVIGATOR Roger Lauppe, in a deposition taken in Paris, said that he heard an officer order some men to push the ammunition in hold Number 5 toward the stern of the Grandcamp.

None of the men testified concerning the type or amount of ammunition aboard the ship.

Gueril also told how he entered the hold containing ammonium nitrate shortly after the fire was discovered. A fire extinguisher was lowered to him, he said, and he began to fight the fire.

Three seamen and a ship's

RE: SS WILSON B. KEENE, ET AL REC 1131-363-A
ADMIRALTY MATTER
(Hofile 131-39)

NOT FORGED
167 APR 21 1958

THE HOUSTON POST
4/10/58

Houston, Texas

EX-135

5-7 APR 24 1958

officer came down to help him, Gueril said, and several more fire extinguishers were lowered to the men.

JALTHOUGH stevedores helped move the bags of ammonium nitrate to enable the firefighters to get to the base of the fire, the flames quickly spread and turned from blue into a yellowish-gray blaze.

"Yellow smoke began to billow from the hold," Gueril said.

The ship's carpenter said he fought the fire for about half an hour, then was ordered from the hold with the rest of the men.

With the men out of the hold, the hatch was battened down, and a tarpaulin placed over the hatch boards, the seaman said. Steam was forced into the hold for a time. Then the hatch boards and tarpaulin "blew up" and the smoke and flames forced the seamen aft, Gueril said.

AFTER GUERIL helped move ammunition cases, all seamen were ordered off the ship, he said. Some slid down hawsers to the dock.

Firemen from Texas City boarded the ship while the seamen watched from the wharf, Gueril said. He, Lie, Brozec, Labbe and Albert Dulong, a seaman who also testified through a deposition taken in Paris, were in a cafe near the docks when the Grandcamp blew up.

"The cafe fell on top of me and my shipmates," Labbe said. Dulong said he was blown into the water by some freak of the blast.

ALL THE SEAMEN said there was no smoking on the ship before the explosion. They also said there were fire hose left on the deck from cotton-loading operations in Houston. No water was put on the hold fire, the seamen testified.

R. G. B. Powell, who was chief wharf clerk for the agents of the French Line in 1947, testified that there were no "red labels" on the bags of ammonium nitrate, signifying that it was dangerous cargo.

Nor were the longshoremen paid a bonus rate for handling risky cargo, he said.

THE HEARING, before U.S. District Judge Ben C. Connally, is on a petition filed by the Republic of France and the French Line asking that the plaintiffs be absolved of any liability in the disaster, or that their liability be limited to \$100,000.

The U. S. government represented by Government Atty's James E. Ross and Dale M. Green, is seeking \$60 million from the petitioners for some 1700 claims assigned to the U.S. Attorneys for France and the French Line are expected to rest their case Thursday. The U.S. government will present evidence well into next week, the attorneys said.

PR
TEX

Texas City Blast To Be Argued Again

BY JOHN HARRIS

Chronicle Staff

The Texas City disaster will be a memory 11 years old next month, but the legal dust raised by its explosions hasn't settled yet.

On April 7 attorneys for the United States and France's state-owned shipping line are

due to meet in federal court in Houston.

They will begin a wordy battle over who is financially liable for the tragedy.

The French have filed a petition here asserting the disaster wasn't their fault. Or that, if it was, the most they owe is \$160,000.

Asking \$60,000,000

Not so, the United States government will contend. "The French are liable, and we want a cool \$60,000,000" will be the United States position.

The S.S. Grandcamp, a French freighter, blew up with terrific force April 16, 1947 while at dockside in Texas City. The ship was loading ammonium nitrate.

Resulting fires and explosions killed 512 persons and caused \$400,000,000 damage. It was the nation's worst peace-time disaster.

In a filed petition, attorneys for the French line will ask that their company be exonerated from blame or that its liability be limited to \$100,000.

They are basing their claim on a United States statute. This says that, under certain conditions, a shipowner's liability for damages shall not exceed his investment in the vessel and the freight charges due on its cargo.

Supreme Court Ruling

Someone, either the United States or France, must be liable for more than that, the government will contend.

In a test case involving a man slain in the blast, the Supreme Court absolved the United States of responsibility.

Kind-hearted Uncle Sam paid off 1700 injured persons and bereaved relatives of victims to the tune of \$16,500,000. This was after Congress passed a bill in 1955 assuming "compassionate" blame for the tragedy.

The \$16,500,000 was paid after individual claims were limited to \$25,000 each.

The actual sum demanded by the claimants was about \$60,000,000. This is the sum the government will contend that France ought to pay the United States.

Judge to Hear Case

Uncle Sam is still in the process of trying to collect the \$60,000,000 from the French in a separate suit.

If the French petition for liability limitation is denied and the United States succeeds in its \$60,000,000 claim, it could be that Congress will approve more payments to Texas City injured and bereaved, a source said.

Judge Ben C. Connally will hear the case without a jury. Arguments are expected to take at least six weeks.

Testimony will be highlighted by records of the Grandcamp's cargo, stowage plans, her bills of lading, cargo manifests and voyage log.

RE: SS WILSON B. KEENE,
ET AL, ADMIRALTY
NOS. 1868, 1869, 1870
ADMIRALTY MATTER
(Hofile 131-39)

THE HOUSTON CHRONICLE
3/30/58
Houston, Texas

1131-263-A

NOT RECORDED
117-APR 14 1958

51 APR 11 1958 1371

F B I

Date: 4/21/58

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (131-363)

FROM: SAC, HOUSTON (131-39)

RE: SS WILSON B. KEENE
SS HIGHFLYER
SS GRANDCAMPLimitation of Liability, April 16 and 17, 1947,
Petitions of Lykes Bros. Steamship Company and
Republic of France
Southern Texas, Admiralty Nos. 1868, 1869, 1870
ADMIRALTY MATTERS

Re: Houston airtel to Bureau dated 4/5/58.

Subject case still in trial; however, Government
attorneys have advised that neither SA'S MAURICE H. PRICE
nor FALKNER will be needed as witnesses in this matter.

3 - Bureau (AM)
 2 - Mobile (AM)
 2 - Milwaukee (AM)
 1 - Houston

JJD:ys
(8)

REC-99

EX-135

131- - - - - 112
18 APR 23 1958

SIX

Approved: John A. T. [Signature] Sent: _____ M Per: _____
Special Agent in Charge

7331

Assistant Attorney General George Cochran Doub
Civil Division

April 24, 1958

Director, FBI

REC-50

SS GRANDCAMP - Petition of the
Republic of France, etc. in a cause
of limitation of or exoneration from
liability, civil and maritime
Southern Texas, Admiralty No. 1870

Reference is made to your memorandum of April 9,
1958, in which you request that Dr. J. W. Magee, of this
Bureau's Laboratory, interview Dr. William G. McKenna in the
light of subsequent developments in this case. Upon receipt
of your memorandum, efforts were made by this Bureau to
contact Dr. McKenna. It was ascertained that he was not at
his place of employment at South Amboy, New Jersey, and that
he was in Saint Louis, Missouri, on other business. He was
not expected to return to South Amboy until approximately
April 16, 1958. On April 21, 1958, it was ascertained that
McKenna proceeded from Saint Louis to Houston, Texas,
where he had testified in this case. He advised that the
trial progressed more rapidly than had been anticipated and
that he did not return to South Ambay until after his
testimony was concluded.

JWM:np
(5)

Tolson _____
Nichols _____
Boardman _____
Belmont _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Nease _____
Tele. Room _____
Holloman _____
Ay _____



2 MAY 5 1958
MAIL ROOM

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 5-5-58

FROM : ~~H. J.~~ SAC HOUSTON (131-39)SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS 1868,
1869, 1870
ADMIRALTY MATTER

RE: Bureau letter to Houston, 1-27-58.

Trial in this matter lasted for approximately three weeks. During that time, SA DOOLING sat at the counsel table. The agent assisted by locating in the Dalehite records various exhibits and testimonies in connection with the present trial. He also assisted the attorneys by calling to their attention questions to be asked on examination of witnesses. He also assisted in having government witnesses available when needed, without causing undue delay to the trial or inconvenience to the witnesses.

Because of the numerous documents involved in this case and in fact that many of the witnesses have previously testified and have given statements on many occasions, it was felt that this time spent by Agent DOOLING at the counsel table was beneficial.

(2) - Bureau
1 - HoustonJJD:ms
(3)

REG. 58

131-365-114



53 MAY 16 1958

FEDERAL BUREAU OF INVESTIGATION

Reporting Office HOUSTON	Office of Origin HOUSTON	Date MAY 9 1958	Investigative Period 3-8, 24, 25, 27, 28, 31; 4/1-24/58
TITLE OF CASE SS WILSON B. KEENE; SS HIGH FLYER; SS GRANDCAMP; ADMIRALTY NUMBERS 1868 1869, 1870		Report made by JOSEPH J. DOOLING	Typed By: ms
		CHARACTER OF CASE ADMIRALTY MATTER	

Synopsis:

24 Evidence concerning SS GRANDCAMP and French Government's Petition for limitation of liability, heard before U. S. District Judge BEN C. CONNALLY, from 4-7-58, through 4-24-58. Briefs to be filed in this matter on June 9, 1958.

- P -

DETAILS:

On March 31, 1958, AUSA JAMES C. ROSS, requested that EDWARD WOODROW BALLEW, Jacksonville, Texas, be interviewed in accordance with previous departmental instructions.

On April 5, 1958, in response to above, the Dallas Office advised as follows:

EDWARD WOODROW BALLEW, a married white male, age 31, residence Churchill Street, Jacksonville, Texas, and

Approved Copies made	Special Agent in Charge	Do not write in spaces below		
(2) - Bureau (131-363) 1 - USA, Houston 2 - Houston (131-39)		131-363-115	REC-93	X-135
		13 MAY 12 1958		

1 CC RAB by a-6
66 MAY 16 1958 15/58
361 ECPD

STAN. SEC'D.

HO 131-39

presently employed by C. J. BOYD, Route 4, Jacksonville, Texas, on April 4, 1958, recalled the following information to SAA WILTON H. BREMER concerning his former employment on board the vessel GRANDCAMP at Texas City, Texas, in April, 1947.

BALLEW recalled being employed four days as a longshoreman in Hold #4 of the GRANDCAMP on the 8a.m. to 5 p.m. shift in April, 1947, loading paper bags of ammonium nitrate. The two HASSELL brothers, BILL THOMPSON, and possibly another longshoreman, name not recalled, worked with him on the bottom of this hold. The name of his foreman was BOSWELL. BALLEW said he spent all of his working hours in Hold #4 and at lunch time went to his boarding house in Texas City to eat. He did not recall the name of his employer while working on board this vessel but did recall receiving his pay check sometime later.

BALLEW recalled that the bottom of Hold #4 was damp and contained loose paper and scraps of wood board. He said the vessel appeared to be rather old and Hold #4 appeared to be in an unclean condition. He recalled a "No Smoking" sign at the point he boarded the vessel and does not at this time recall anyone smoking on board. He did not receive any instructions to the effect that the ammonium nitrate was dangerous and did not notice any precautions regarding smoking on board except for the "No Smoking" sign. He recalled that some of the paper bags were torn and some of the ammonium nitrate did spill out but does not now recall what was done about the loose ammonium nitrate in the hold.

BALLEW recalled that on the morning the vessel exploded he and the other three or four longshoremen, after uncovering the hatch, went down to the bottom of Hold #4 and before they started loading cargo, someone smelled smoke and soon thereafter observed blue smoke and a reddish flame. Someone then lowered a small fire extinguisher down into the hold on a rope but he did not recall who actually handled this fire extinguisher. BALLEW said he did not handle this

HO 131-39

fire extinguisher and believes the fire at that time was too large for this small fire extinguisher. Also two crew members climbed down into the bottom of this hold to inspect the fire. BOSWELL then ordered all of the men out of Hold #4 and then ordered them to secure the cover over this hatch, including the tarp. Stem was then released into the hold and the tarp began to swell.

BALLEW said he then walked off the vessel and stopped at the end of the pier warehouse to watch the fire with his brother, PEARL BALLEW, who had been working on a flour boat at the next pier. He said smoke was coming out of Hold #4 and later on the tarp burned before the vessel exploded.

BALLEW said after the explosion, his brother, PEARL, helped him into a truck which took him to a hospital in Galveston, Texas. BALLEW said he suffered a broken right ankle and cuts on his body.

BALLEW said his brother, JAMES BALLEW, who also was working on this vessel, later on told him the ship's cargo included binding twine and peanuts. BALLEW said he does not recall anyone lowering a water hose down into Hold #4 after the fire started and has only a vague recollection of seeing some small arms ammunition on deck before leaving the vessel to watch the fire.

BALLEW said he does not recall longshoremen or crew members smoking on board the GRANDCAMP either in the hold or on deck, mainly because he was in Hold #4 all of the time. He noticed no guard posted to prevent anyone from smoking but did observe the "No Smoking" sign at the point he boarded the vessel. He received no instructions regarding smoking or regarding the dangerous nature of the fertilizer. He said the vessel appeared to be old and generally unclean. The crew appeared to be composed mostly of average working men with average habits. He did not recall any crew member smoking or drinking liquor. He said the fertilizer being loaded was referred to as "ammonium nitrate." He did not

HO 131-39

recall the disposition made of broken or torn fertilizer bags and did not know the dangerous characteristics of the cargo being loaded. He also said he had no additional recollection as to the ammunition or fire extinguisher.

BALLEW said he would testify under oath and did not recall being previously contacted by anyone regarding this matter except by Bureau agents. He said he would drive his auto to Houston if needed as a witness. BALLEW said he had never testified in court. He added that he has completed the fourth grade in public schools and for the past ten years has worked in this general vicinity cutting logs. He is presently employed as a mechanic for Mr. BOYD.

This information was immediately made available to Mr. ROSS.

From April 7, 1958, through April 24, 1958, evidence was heard by U.S. District Judge BEN C. CONNALLY concerning the French petition and exoneration of limitation of liability in regard SS GRANDCAMP. At the conclusion of the evidence presented at both American and French Governments, Judge CONNALLY advised he would receive briefs in this matter on June 9, 1958, and replies should be filed by June 23, 1958.

- P -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: MAY 9 1958

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS. WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS 1868,
1869, 1870
ADMIRALTY MATTER24
Enclosed herewith are two copies of the report
of SA JOSEPH J. DOOLING, dated MAY 9 1958 at Houston.REFERENCESDallas letter to Bureau, 4/5/58 and Houston
airtel to Bureau, 4/21/58.ADMINISTRATIVEMr. JAMES C. ROSS, advised that during the close
of the trial, concerning the GRANDCAMP, Lykes Brothers'
attorney offered to settle the matter concerning SS HIGH
FLYER by paying \$190,000 of which \$150,000 would be paid
to the U.S. Government. Mr. ROSS further advised that the
Attorney General has agreed to such a settlement. It will
be necessary to have the other claimants agree to this
settlement.LEADSHOUSTONAT HOUSTON, TEXAS

1. Will follow and report settlement of SS HIGHFLYER.
2. Will follow and report findings of U.S. District
Judge BEN C. CONNALLY, concerning SS GRANDCAMP.

② - Bureau (Encls. 2)
2 - Houston

JWD:ms

(3)

REC- 93

131-363-116

EX- 135

14 MAY 12 1958

EX- 135

366

66 MAY 16 1958

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 5/28/58

FROM : *SAC* HOUSTON (131-39)SUBJECT: SS. WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS 1868,
1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Re: Report of SA JOSEPH J. DOOLING, Houston, 5/9/58.

On 5/23/58, Mr. JAMES ROSS, Assistant United States Attorney, Houston, advised no developments have taken place in this case since the trial.

Houston will continue to follow this matter.

2 - Bureau
2 - Houston

JJD:mam
(4)

REG-76

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23

EX-102

C.A.

F.I.D.
60 JUN 5 1958

FEDERAL BUREAU OF INVESTIGATION

Reporting Office HOUSTON	Office of Origin HOUSTON	Date 7/3/58	Investigative Period 5/23; 6/23; 7/1/58
TITLE OF CASE SS WILSON B. KEENE; SS HIGH FLYER; SS GRANDCAMP; ADMIRALTY NUMBERS 1868 1869, 1870		Report made by SA JOSEPH J. DOOLING	Typed By: djv
		CHARACTER OF CASE ADMIRALTY MATTER	

Synopsis:

Briefs filed concerning SS GRANDCAMP. SS HIGH FLYER settled by payment of \$150,000 to United States Government and \$35,000 to Boston Manufacturers Mutual Fire Insurance Company by Lykes Brothers. \$150,000 recovery claimed.

- 3 -

DETAILS: AT HOUSTON, TEXAS.

On July 1, 1958 Mr. JAMES C. ROSS, Assistant United States Attorney, Houston, advised as follows:

Both the Attorneys representing the French Government and United States Government filed written briefs on June 16, 1958. At the present time reply briefs have been filed by both sides and the Court will probably set oral arguments concerning the GRANDCAMP case sometime in July or August of 1958.

Mr. ROSS stated that no other developments have taken place concerning the SS GRANDCAMP.

Mr. ROSS advised that concerning the SS HIGH FLYER,

Approved <i>J. C. Ross</i> Copies made	Special Agent In Charge	Do not write in spaces below		
2 - Bureau (131-363) 1 - USA, Houston 2 - Houston (131-39)		131-363 -	118	REC-8
		—	—	
		2 JUL 7 1958		
		RECORDED	INDEXED	

1cc RAB 4-0-6

7/16/58

50 JUL 30 1958 1304

STATE SECY.
FBI

HO 131-39

Lykes Brothers have settled this matter as follows:

On June 6, 1953 in the United States District Court, Galveston, Texas, this matter was called and all claims were dismissed based on the following settlement.

Lykes Brothers paid the United States Government \$150,000 in consideration for which the United States Government dismissed its case concerning the HIGH FLYER. Mr. ROSS stated that the \$150,000 approximated the provable damage in this case. In addition Lykes Brothers also settled with the Boston Manufacturers Mutual Fire Insurance Company by paying them \$35,000 as settlement for their claim.

At the present time the only outstanding item in this case concerning the Court decision involving the WILSON B. KEENE inasmuch as all claims concerning the HIGH FLYER have been settled and suit concerning the WILSON B. KEENE has been dismissed, recovery in the amount of \$150,000 is claimed.

- P -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 7/3/58

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP;
 ADMIRALTY NUMBERS 1868
 1869, 1870

Enclosed herewith for the Bureau are two copies of the report of SA JOSEPH J. DOOLING, at Houston, dated 7/2/58.

REFERENCE

Report of SA JOSEPH J. DOOLING dated 5/9/58.

LEAD

HOUSTON:

AT HOUSTON, TEXAS.

Will follow and report the findings of the United States District Court, Houston, concerning the SS GRANDCAMP.

② - Bureau (Encl-2)
 2 - Houston.

JJD:djv
 (4)

REC-8
 EX-108

131-363-119

2 JUL 7 1958

REC-8108

60 JUL 30 1958 1346

Mem. given to [initials]
 REC-8108
 7/6/58

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. *Rosen*

DATE: July 17, 1958

FROM *H. A. Evans* C. A. Evans

SUBJECT: SS WILSON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP;
 ADMIRALTY NUMBERS 1868,
 1869, 1870
 ADMIRALTY MATTERS

Levitt

Tolson	—
Nichols	—
Boardman	—
Belmont	—
Mohr	—
Parsons	—
Rosen	—
Tamm	—
Trotter	—
Nease	—
Tele. Room	—
Holloman	—
Gandy	—

This is to advise that a compromise has been effected in captioned matter resulting in a recovery of \$150,000.

By way of background three vessels were moored at piers in Texas City, Texas, and were in the process of being loaded with ammonium nitrate fertilizer on April 16, 1947, when a fire broke out on one of the vessels causing extensive damages. The Lykes Brothers Steamship Company, Inc., filed petition in admiralty in U. S. District Court in the Southern District of Texas for exoneration from or limitation of liability as owner of one of the vessels. At the request of Assistant Attorney General George Cochran Doub, extensive investigation was conducted by this Bureau in order to assist the Government in the preparation of this matter for trial. On June 6, 1958, in U. S. District Court, Galveston, Texas, this matter was called and all claims against Lykes Brothers were dismissed upon payment by them of \$150,000 to the U. S. Government. The attached report dated 7/3/58 at Houston reflecting this action resulted in a recovery of \$150,000.

Recommendation:

That this memorandum and its enclosures be forwarded to the Statistical Section in order that a recovery of \$150,000 may be recorded for the Houston Office.

131-363

Enclosures
*See file # 131-363-119
 131-363-112*

REG-43

Stat. Section
Spk
131-363-120

12 JUL 25 1958

57 JUL 30 1958 136
 ECP:VAB (2)

C. A. Evans

SA

Office Memorandum • UNITED STATES GOVERNMENT

TO : SAC, Houston (Your file 131-39) DATE: 11/26/58

FROM : Director, FBI (Bufile and serial 131-363-121)

SS Wilson B Keene

SS Highflyer

SUBJECT: SS Grandcamp

Admiralty Matter

Office of Origin: HO

1. The deadline in this case has passed and the Bureau has not received a report. You are instructed to submit a report immediately. In the event a report has been submitted, you should make a notation of the date on which it was submitted on this letter and return it to the Bureau, Room No. 4724.

Report submitted _____

Report will be submitted _____

Reason for delay No decision as yet has been rendered

by the Honorable USDJ BEN C. CONNALLY. It is not anticipated that Judge CONNALLY will render a decision in this matter until approximately February, 1959.

2. Letter of confirmation follows.
 Advise Bureau re status of this case.

3. Advise Bureau when report may be expected. . .

4. Surep immediately.

(Place your reply on this form and return to the Bureau. Note on the top serial in the case file the receipt and acknowledgment of this communication.)

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 8/19/58

FROM: SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP
 ADMIRALTY NUMBERS 1868,
 1869, 1870
 ADMIRALTY MATTER
 (OO: Houston)

Re: Report of SA JOSEPH J. DOOLING, Houston,
 7/3/58.

On August 15, 1958, Assistant United States Attorney JAMES C. ROSS, Houston, advised nothing has taken place in this matter since the filing of briefs. All arguments are now expected in November, 1958.

In view of the above, this case is being placed in pending inactive status until November 1, 1958.

② - Bureau
 2 - Houston

JJD:mam
 (4)

REC- 61

FBI AUG 27 1958

~~SECRET~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont *B422P2*
 FROM : S. B. Donahoe *JP*

1 - Belmont
 1 - Donahoe
 1 - E. C. Palmer
 1 - Dunn

DATE: 9/18/58

(S) SUBJECT: [REDACTED]

WASHINGTON, D. C.
IS - FRANCE

Just before 9:30 AM
 WFO letterhead memorandum 9/16/58 sets forth information furnished by [REDACTED]

Tolson _____
 Boardman _____
 Belmont _____
 Mohr _____
 Nease _____
 Parsons _____
 Rosen _____ b1
 Tamm _____ b3
 Trotter _____
 Clayton _____
 Tele. Room _____
 Holloman _____
 Gandy _____

[REDACTED] WFO letterhead memorandum reflects Longcope representing the French Government and the French Lines in this matter.

WFO letterhead memorandum reflects [REDACTED]

[REDACTED] Memorandum reflects that the judge hearing the above case is Judge Ben Connally, son of the late Senator Tom Connally of Texas. Memorandum reflects that in conversation [REDACTED]

EXEMPTED FROM AUTOMATIC

DECLASSIFICATION

AUTHORITY DERIVED FROM:

FBI AUTOMATIC DECLASSIFICATION GUIDE

EXEMPTION CODE: 50X(1.6)

DATE 06-22-2015

F53M57K81/AAG

SEP 24 1958

JJD:regas

(S)

~~SECRET~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 12/4/58

FROM : *HJS* SAC, HOUSTON (131-39)SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868,
1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Re: Houston letter to Bureau, 8/19/58.

On 12/1/58, Assistant United States Attorney JAMES E. ROSS advised he does not expect a final settlement or court decision in this matter before February 1, 1959, however, should any pertinent developments occur prior to that time he will advise the Houston Office.

In view of the above this case is being placed in the pending inactive status until 2/1/59.

P*.

② - Bureau
2 - Houston1 JJD:mam
(4)

REC 68

131-363-120

RCA R. M.

b3

DEC 1 1958

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 2/18/59

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868,
1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Re: Houston letter to the Bureau, 12/4/58.

On February 17, 1959, Mr. ARTHUR L. MOLLER, Assistant United States Attorney, Houston, Texas, advised that no decision had been reached by the Court in this matter to date. It is anticipated that a decision may be reached in the near future.

The status of this case will be followed on March 1, 1959, with the United States Attorney.

-P-

REC-12 131-363-723

FEB 24 1959

② - Bureau
2 - Houston
JJD/em
(4)

EN. 136

[Signature]

[Signature]

J. D. Miller

353

Tolson _____
 Belmont _____
 DeLoach _____
 McGuire _____
 Mohr _____
 Parsons _____
 Rosen _____
 Tamm _____
 Trotter _____
 W.C. Sullivan _____
 Tele. Room _____
 Holloman _____
 Gandy _____

Judge Blames Ship Line In Texas City Disaster

HOUSTON, Tex., Mar. 10 (AP) — A Federal judge ruled yesterday that a carelessly discarded cigarette or match likely caused the freighter fire which triggered the death-dealing Texas city disaster in 1947.

The decision by United States District Judge Ben C. Connally followed nearly 12 years of legal maneuvering.

It favored the United States Government in its efforts to collect some \$70 million from the French government and the French Lines.

Judge Connally said neither the French government nor the ship line is entitled to exoneration from or limitation of liability in the fire and resulting explosion aboard the SS Grandcamp.

The French blamed spontaneous combustion for the fire on the French Lines vessel loaded with fertilizer-grade ammonium nitrate.

The judge disagreed in his brief and said the most plausible explanation for the fire was a carelessly discarded cigarette or match. He found the French negligent and the ship unseaworthy.

The Grandcamp caught fire and exploded April 16, 1947. It touched off another explosion aboard another freighter, the SS High Flyer.

More than 500 persons were killed and more than 3,000 injured when the fires spread

through the small city on Galveston Bay. Petroleum and chemical installations went up in further explosions.

The United States Government, after paying claimants, filed \$70 million in claims against the French. The amount represented the face value of claims settled.

Judge Connally ruled yesterday on testimony offered in a hearing on that case here last April.

File 131-363
6 EM

The Washington Post and Times Herald
 The Washington Daily News
 The Evening Star *A-10*
 New York Herald Tribune _____
 New York Journal-American _____
 New York Mirror _____
 New York Daily News _____
 New York Post _____
 The New York Times _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal
 Date *3/10/59*

131-363
REG RECORD
117 MAR 24 1959

63 MAR 24 1959

Tolson
 Belmont
 DeLoach
 McGuire
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 Parsons
 Rosen
 Tamm
 Trotter
 W.C. Sullivan
 Tele. Room
 Holloman
 Gandy

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The French blamed spontaneous combustion for the fire on the French Lines' vessel, loaded with fertilizer-grade ammonium nitrate.

The judge disagreed in his brief and said the most plausible explanation for the fire was a carelessly discarded cigarette or match. He found the French negligent and the ship unsatisfactory.

The Grandcamp caught fire and exploded April 16, 1947. It touched off another explosion aboard another freighter, the S.S. High Flyer.

More than 500 persons were killed and more than 3,000 injured when the fires spread through the small city on Galveston Bay. Petroleum and chemical installations went up in further explosions.

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The Washington Post and Times Herald
 The Washington Daily News
 The Evening Star A-3
 New York Herald Tribune
 New York Journal-American
 New York Mirror
 New York-Daily News
 New York Post
 The New York Times
 The Worker
 The New Leader
 The Wall Street Journal
 Date MAR 16 1959

131-363
NOT RECORDED
17 MAR 16 1959

62 MAR 19 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 3/17/59

FROM: SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868,
1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Re: Houston letter to the Bureau, 2/18/59.

On 3/9/59, United States District Judge BEN C. CONNALLY, Southern District of Texas, issued a 38 page decision. In summary Judge CONNALLY stated that both the French Lines and the French Government were negligent in the loading of the cargo and that they also had an unseaworthy ship and he refused to exonerate either of them from liability and he refused to limit the liability.

There seems to be no doubt that this decision will be appealed by the French Government inasmuch as there is approximately seventy million dollars involved.

Houston will obtain and forward to the Bureau a copy of the Judge's decision and will follow the expected appeal in this matter. A report will be submitted after the appeal is filed.

② - Bureau
2 - Houston

JJD:mam
(4)

REC-23

131-363-124

20 MAR 19 1959

66 MAR 24 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 4/29/59

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP
 ADMIRALTY NUMBERS 1868,
 1869, 1870
 ADMIRALTY MATTER
 (OO: Houston)

By letter dated 4/21/59, Assistant United States Attorney JOHN R. GREEN made available an autostat copy of United States District Judge BEN C. CONNALLY's decision in this matter.

The judgment has not yet been drawn up in this matter inasmuch as the attorneys for the Government desire merely a short simple judgment summarizing the matter, however, opposing counsel desires to incorporate background data in the judgment.

Houston will follow this matter and submit report when judgment has been entered.

② - Bureau
 2 - Houston

JJD:mam
 (4)

REC-75

131-363-125

12 APR 30 1959

EX-113

68 MAY 7-1959

FEDERAL BUREAU OF INVESTIGATION

Reporting Office HOUSTON	Office of Origin HOUSTON	Date 5/27/59	Investigative Period 4/21 - 5/25/59
TITLE OF CASE SS WILSON B. KEENE; SS HIGH FLYER; SS GRANDCAMP; ADMIRALTY NUMBERS 1868 1869, 1870		Report made by SA JOSEPH J. DOOLING	Typed By: yk
		CHARACTER OF CASE ADMIRALTY MATTER	

Synopsis:

REFERENCE: Report of SA JOSEPH J. DOOLING dated 7/3/58;
Houston letter to the Bureau 4/29/59.

- P* -

ADMINISTRATIVE

The various times on which the U. S. Attorney's Office, Houston, Texas, was contacted since the date of last report is not being included in investigative period. Such contacts were merely to follow the final outcome of the District Court decision.

LEADS

HOUSTON:

Will, on September 1, 1959, contact the U. S. Attorney's Office to ascertain if appeal has been filed in this matter, which is expected, and obtain copies of appeal briefs together with U. S. District Court's decision. These documents will be forwarded to the Bureau.

Approved Copies made:	Special Agent In Charge	Do not write in spaces below	
(2) - Bureau (131-363) 1 - USA, Houston 2 - Houston (131-39)		1 - 1 - 6 = -	126
EX MM 29 1959			

**UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION**

Copy to: 1 - USA, Houston

Report of: SA JOSEPH J. DOOLING **Office:** Houston
Date: 5/27/59

File Number: Houston (131-39) **Bureau File (131-363)**

Title: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS 1868
1869, 1870

Character: ADMIRALTY MATTER

Synopsis: On 5/13/59, BEN C. CONNALLY, U. S. District Judge, Southern District of Texas, entered Interlocutory Decree concerning admiralty number 1870 wherein the petition of the Republic of France and the Compagnie Generale Transatlantique for exoneration from and/or limitations of liability was denied.

- P*-

DETAILS:

On April 21, 1959, Assistant U. S. Attorney JOHN R. GREEN made available a copy of the findings of fact and conclusion of law of United States District Judge BEN C. CONNALLY, Southern District of Texas, which finding facts were issued on March 9, 1959. This 39 page finding of facts is summarized below.

Petitioners are the Republic of France and the Compagnie Generale Transatlantique. The United States is claimant in a dual capacity in that they are successors to the Reconstruction Finance Corporation who suffered a loss of \$350,000.00, and also as assignee for many hundreds of claims for death, personal injury, and property damage. The vessel involved is the SS GRANDCAMP. There followed these findings a recitation of the facts in case and the disaster. These findings held that the petitioners as owners and operators of this vessel, the French Supply Council, the master, the ship's agents, and the stevedoring company are all chargeable with knowledge that the Ammonium Nitrate was a fire hazard.

and a dangerous article; further, that no adequate precautions were taken to prevent smoking aboard the vessel. The longshoreman did smoke promiscuously. The fire had its origin in a carelessly discarded cigarette or match. The master could and reasonable should have foreseen the danger of a disastrous fire and was negligent in this regard. The recognized and accepted method of fighting the fire was with large quantities of water and that the method used by the vessel's officers, that of a steam smothering system, is not effective in such cases. Therefore, the master was negligent and at fault in the method used in fighting the fire. The acceptance of broken bags aboard the vessel constituted a violation of Coast Guard regulations and this contributed to the cause of disaster. At the time and immediately before the disaster the SS GRANDCAMP was unseaworthy because it was not properly manned. The petitioners were also with privity and knowledge of the unseaworthy condition. Further, the petitioners failed to furnish the ship's agent or the master written orders informing them of the character of the cargo. This failure constituted negligence on the part of the petitioners and contributed to the disaster.

The conclusions of law as found by U. S. District Judge BEN C. CONNALLY are summarized below.

This Court has jurisdiction in this matter. The petitioners were under the duty to use care to ascertain the nature and characteristics of the cargo and as a matter of law chargeable with the knowledge which reasonable inquiry and investigation would have disclosed. The French Supply Council failed to give warning as to the nature of dangerous cargo. The Coast Guard regulations classified ammonium nitrate as dangerous article and should be interpreted as applying to fertilizer grade ammonium nitrate. The voyage in question was the one way crossing from Houston - Galveston to France upon which the GRANDCAMP was about to embark. From the foregoing it follows that by reason of the fault and negligence of the petitioners and the unseaworthiness of the vessel, all of which within the privity and knowledge of the petitioners neither is entitled to exoneration from or limitations of liability.

HO 131-39

On May 25, 1959, Assistant U. S. Attorney JOHN R. GREEN made available the Interlocutory Decree of U. S. District Judge ELLIOTT C. CONNALLY, Houston, in Admiralty Matter number 1370 set out below.

The petition of the Republic of France and of Compagnie Generale Transatlantique for exoneration from, and/or limitation of liability filed herein pursuant to Admiralty Rules 51 and 53 and the provisions of 46 U. S. C. 183-189, having duly come on to be heard on the pleadings and proofs adduced by the petitioners and claimants, and briefs having been submitted and the Court having heard argument thereon,

And, after due deliberation, the Court having filed on March 9, 1959, its findings of fact and conclusions of law,

Now, therefore, it is:

ORDERED, that the motion of petitioners for leave to implead the United States of America pursuant to the 56th Rule in Admiralty of the United States Supreme Court is hereby granted and allowed; and it is further

ORDERED, ADJUDGED AND DECREED, that said petition of the Republic of France and the Compagnie Generale Transatlantique for exoneration from and/or limitation of liability should be and hereby is denied as to each of said petitioners.

Done at Houston, Texas, this 13th day of May, 1959.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)
FROM : SAC, HOUSTON (131-39)
SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS
1868, 1869, 1870
ADMIRALTY MATTER
(OO: Houston)

DATE: 9/24/59

This is to advise that on 9/21/59, Assistant United States Attorney JOHN R. GREEN, Southern District of Texas, advised as follows:

Mr. GREEN stated that as of 9/21/59, no briefs had been filed in this matter, however, they are expected at any time, inasmuch as the French Government intends to appeal the interlocutory order wherein the Federal District Judge Ben C. Connally overruled the motion for limitation of liability.

Houston will follow and report when an appeal has been filed in this matter.

2 - Bureau
2 - Houston

JJD:mam
(4)

REC. 96

131-363-127

16 SEP 28 1959



REC'D 1969

SAC, Houston (131-39)

October 1, 1959

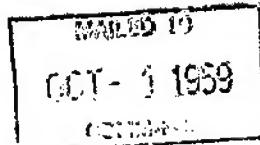
Director, FBI (131-363)

SS WILSON B. REEVE, ETC.
ADMIRALTY MATTER.

A review of Bureau file indicates that the United States District Judge at Houston, Texas, rendered a decision favorable to the Government in this matter. In this regard it was indicated the Government is making efforts to collect \$70,000,000 from the French Government.

Immediately advise the Bureau how the amount of \$70,000,000 was determined. In addition advise status of this case and whether any savings or recoveries are forthcoming.

HSU:raw
(4)



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OCT 2 1959
MAIL ROOM TELETYPE UNIT

REC-98

128

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)
FROM : SAC, HOUSTON (131-39)
SUBJECT: SS WILSON B. KEENE, ETC.
ADMIRALTY MATTER

DATE: 10/6/59

Re: Bureau letter to Houston 10/1/59.

Referenced letter requested to advise how the amount of \$70,000,000.00 was determined and the status of this case and whether any savings or recoveries are forthcoming.

A figure of \$70,000,000.00 was arrived at from the U. S. District Judge's opinion referred to in referenced letter. Specifically he stated "The United States seeks to recover not only what was paid, (approximately \$16,000,000.00) but asks recovery of the damages allegedly suffered by each of such assignors in the amount of approximately \$70,000,000.00". It should be noted that the Government after paying out approximately \$16,000,000.00 under the Texas City Relief Act assumed the position of the original claimants and such claims totalled approximately \$70,000,000.00.

The Bureau has been advised the suit on which the District Judge ruled favorably was a petition of the French Government for exoneration of or limitation of liability. This petition was denied. There is no doubt that this matter will be appealed. Any savings or recoveries will not be decided until subsequent court action and no savings or recoveries will be reported until the amount has been set by Federal Court.

② - Bureau
2 - Houston

JJD:gjw
(4)

REC-7

10-1-56-3-2-129

C.R.D.
 R.C.

✓

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 11/16/59

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS
1868, 1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Re: Report of SA JOSEPH J. DOOLING, dated 5/27/59,
at Houston.
Houston letter to Bureau, dated 9/24/59.

On November 12, 1959, Assistant U. S. Attorney
JOHN R. GREEN, SDT, advised that no brief has yet been
filed in this matter.

Houston will follow this matter and submit
a report when an appeal has been filed.

2 - Bureau
2 - Houston

JJD:djv
(4)

4-29-60
4-14-3
4-0-2 ✓

REC-74 11-12-130

DL-138

NPC

121

5 Nov 25 1959

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 5/3/60

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP;
 ADMIRALTY NUMBERS
 1868, 1869, 1870
 ADMIRALTY MATTER
 (OO: HOUSTON)

RE: Houston letter to Bureau, 11/16/59;
 Report of SA JOSEPH J. DOOLING, 5/27/59,
 Houston;
 O-1 Form dated 4/29/60, enclosed.

On May 3, 1960, Mr. JOHN R. GREEN, Assistant U. S. Attorney, advised SA JOSEPH J. DOOLING that the trial record in this case has just been received. The French Government will file an appeal in this matter and United States will also file an answer. Mr. GREEN advised that it is not expected that these briefs will be filed prior to September of this year and will not be heard by the Fifth Circuit Court prior to November, 1960.

The Houston Office is placing this matter in a pending inactive status until September 1, 1960. In view of the fact that there is nothing to report since referenced report no report is being submitted.

P*
 2 - Bureau (Encl.-1)
 2 - Houston

JJD:sbb
 (4)

ENCLOSURE
 (b-1)

REC- 54

131-363-131

4 MAY 6 1960

51 MAY 11 1960

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363) DATE: 8/11/60

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS
1868, 1869, 1870
ADMIRALTY MATTER
(OO: Houston)Re: Report of SA JOSEPH J. DOOLING 5/27/59.
Houston letter to Bureau 5/3/60.

On August 8, 1960, Mr. JACK SHEPHERD, AUSA, Houston, advised SA JOSEPH J. DOOLING that the French Government has submitted a brief in this matter. The brief concerns the appeal being made to the Fifth Circuit Court, New Orleans. Mr. SHEPHERD stated that his office has only received one copy of this brief, further that this matter is being handled by the Department and he, Mr. SHEPHERD, expects the government brief to be filed about the end of August, 1960 and the matter to be heard by the Fifth Circuit in October, 1960.

NEW ORLEANS at New Orleans, Louisiana: Will obtain and forward to the Bureau copies of the briefs filed in this matter.

Will follow and report appeal in this matter.

② - Bureau
 2 - New Orleans (131-65)
 2 - Houston

JJD:gw
 (6)

EX-131 REC-18 131-363-132
 8/11/60 1:30 P.M. 1960

14 AUG 1960

ATES GOVERNMENT

orandum

TO

DIRECTOR, FBI

(131-363)

DATE: SEPTEMBER 2, 1960

12/1
51
h/w
Bob
FROM :

SAC, NEW ORLEANS (131-65)

SUBJECT:

SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER

(OO - HOUSTON)

Bob
10/1
10/4

Re Houston letter to Bureau dated 8/11/60.

Enclosed are two (2) copies of Brief obtained from the United States Court of Appeals, 5th Circuit, New Orleans, Louisiana, under Docket Number 18064.

No other briefs have been filed in this matter and this case will be followed with the Clerk of the United States Court of Appeals, 5th Circuit.

P.

2 - Bureau (Encls. 2) (RM)
1 - Houston (131-39)
2 - New Orleans

JES/mjw
(5)

o-1 10-14-60
Rept. will be sub. 10/10/60
Case under appeal to
5th Circuit Court of Appeals
New Orleans

4381

EX 109

REC-42

131-363-133

MCT-17

7 SEP 6 1960

2/1 CLOSURE
53 SEP 19 1960

TO : DIRECTOR, FBI (131-363)
FROM : SAC, NEW ORLEANS (131-39)
SUBJECT : SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP;
ADMIRALTY #'S 1868, 1869, 1870
ADMIRALTY MATTER
(OO, HOUSTON)
ENCLS : TWO (2) COPIES OF BRIEF OBTAINED FROM US COURT OF APPEALS,
5th CIRCUIT, NOLA

REGISTERED MAIL

131-133

CORRECTED.

IN THE
United States Court of Appeals
FOR THE FIFTH CIRCUIT

No. 18064

REPUBLIC OF FRANCE and COMPAGNIE
GENERALE TRANSATLANTIQUE,
v. *Petitioners-Appellants,*

UNITED STATES OF AMERICA, ET AL.,
Claimants-Appellees.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR
THE SOUTHERN DISTRICT OF TEXAS, GALVESTON DIVISION

**BRIEF ON BEHALF OF PETITIONERS.
APPELLANTS**

EASTHAM, DALE & FORNEY,
HILL, BETTS, YAMAOKA,
FREEHILL & LONGCOPE,
Proctors for Petitioners-Appellants,
26 Broadway,
New York City,
New York.

Of Counsel:

EDWIN LONGCOPE,
CLARENCE S. EASTHAM,
EDWARD A. NEILEY,
DAVID I. GILCHRIST.

U. S. COURT OF APPEALS

FILED

AUG 4 1960

EDWARD W. WADSWORTH
CLERK

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (131-363)

DATE: 11/15/60

FROM : SAC, HOUSTON (131-39)

SUBJECT: SS WILSON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP;
 ADMIRALTY NUMBERS 1868,
 1869, 1870
 ADMIRALTY MATTER
 (OO: Houston)

11/13/61 O-1 NO
 by next mail and
 get mail & later
 per

RE: Report of SA JOSEPH J. DOOLING, dated 5/27/59
 at Houston;
 Houston letter to Bureau, dated 8/11/60;
 New Orleans letter to Houston, dated 9/29/60;
 O-1 Form to Houston, dated 11/7/60.

On 11/15/60 a review of the file of the U. S. Attorney, Houston, reflects the most current information concerning the appeal in this matter is a letter from the Clerk of the Fifth Circuit Court, New Orleans, dated 9/29/60. This letter advised that due to the illness of Judge HUTCHESON, he will not be present at the hearing in Atlanta, Georgia, October 7, 1960; however, he will participate in the decision concerning this matter.

It should be noted that this matter is being handled by CARL C. DAVIS, Assistant Chief, Admiralty and Shipping Section, Department of Justice, and by SAMUEL D. SLADE, Chief of Appellate Section, Department of Justice. Also there is no attorney in the U. S. Attorney's Office, Houston, who is actively representing the Government in the appeal under consideration by the Fifth Circuit Court.

P.

2 - Bureau
 2 - New Orleans (131-65)
 2 - Houston

REC-22 11-5-134

JJD:jj
 (6)

30 NOV 23 1960

HO 131-39

LEADS

NEW ORLEANS:

AT NEW ORLEANS, LOUISIANA:

(1) Will contact the Clerk, Fifth Circuit Court, and ascertain if any hearings have been conducted. If so, New Orleans will report such finding of the court.

(2) Will follow and report the Appeal in this matter.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: 1/31/61

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE:

SS HIGH FLYER;

SS GRANDCAMP

ADMIRALTY NUMBERS 1868, 1869, 1870

ADMIRALTY MATTER

(OO: Houston)

Reference is made to attached O-1 form dated 1/13/61 and New Orleans letter dated 1/16/61 sent to Houston Division in captioned matter disclosing that on 1/9/61 the records of the Court of Appeals, 5th Circuit, New Orleans, under docket No. 18064, indicated that this case is still awaiting a decision.

This is being followed for final results.

P
② - Bureau (Enc. 1)
2 - Houston (131-39)
2 - New Orleans

JES:lil

(6)

REC-5

21-112

131-363-135

2 FEB 6 1961

ENCLOSURE

59 FEB 9 1961

EXP. PROC.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363) DATE: 3/31/61

WWB
FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Reference is made to New Orleans letter to Bureau dated January 31, 1961, in captioned matter.

On March 27, 1961, records of the Fifth Circuit Court of Appeals, New Orleans, under Docket Number 18064, disclosed that this case is still awaiting decision from the Court of Appeals.

This case is being followed for final results.

2 - Bureau
2 - Houston (131-39)
2 - New Orleans

JES/tal
(6)

131-363-136

17 APR 4 1961

50APR10 1961

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: 5/4/61

FROM : *W.H.* SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE;

SS HIGH FLYER;

SS GRANDCAMP

ADMIRALTY NUMBERS 1868, 1869, 1870

ADMIRALTY MATTER

OO: HOUSTON

Reference is made to New Orleans letter dated 3/31/61, in captioned matter.

On April 28, 1961, the records of the Fifth Circuit Court of Appeal, New Orleans, under Docket Number 18064, disclosed this case is still awaiting decision from the Court of Appeals.

This case is being followed.

P
②Bureau
2-Houston (131-39)
2-New Orleans
JES/dmt
(6)

REC-XTC

REC-40

131-363-137

55 MAY 7 1961

Mr. Tolson
 Mr. Persons
 Mr. Mohr
 Mr. Belmont
 Mr. Cahan
 Mr. Conrad
 Mr. Ladd
 Mr. Evans
 Mr. Rosen
 Mr. Taylor
 Mr. Trotter
 Mr. W. F. Sullivan
 Tele. Room
 Mr. Ingram
 Miss Gandy

Court Decision on Texas City Disaster

Over a 14-year chasm of time comes an ironic, ghostly post-mortem on Texas' most tragic industrial disaster. In a remarkable decision the United States Fifth Circuit Court of Appeals at New Orleans has denied the right of the United States to collect \$70 million from the Republic of France and the French line for damage claims arising from the Texas City disaster of 1947.

The decision reverses a 1959 ruling by District Judge Ben C. Connally of Houston, which held the French responsible for the explosion of their government-owned SS Grandcamp which wrecked Texas City.

Judging from parts of the Circuit Court's opinion quoted in the press, the incredible thing about it is the reasoning on which the decision apparently is based. In an earlier test case the United States Supreme Court had held that the United States was not liable for damages caused by the combustion of the ammonium nitrate fertilizer cargo while it was being loaded on the ship at the Texas City docks. So, if the United States government was not liable, the Circuit Court now rules, ergo, neither is the French government and the French lines liable. In the circumstances, the court said, quoting from the French arguments, it would be "ironic indeed" to say that

the master of the Grandcamp was negligent in not taking adequate precautions against fire in this dangerously explosive fertilizer.

In a dissenting opinion Circuit Judge Joseph Huteson reflected the reaction which the decision must evoke in any disinterested, reasoning person—lawyer or layman. First, as to the irrelevancy of absolving the French simply because the United States had been absolved from liability. And secondly, that those in immediate charge of the ship bore the natural responsibility of informing themselves of any danger of explosion in the cargo they were to carry in their vessel. Instead, they permitted workers to smoke freely in the ship while handling the fertilizer.

Judge Huteson stressed his disagreement with the French contentions on which the majority opinion was based in forceful language: "Two red herrings have been carefully and sedulously drawn by the appellants across the trail of true fact."

Now, if the appellate court's ruling should be sustained by the Supreme Court, about the only ones left to blame for the French ship's explosion would be the 570 persons killed and the nearly 3,500 injured in the resultant disaster—not to mention those who lost scores of millions of dollars in property damage.

THE HOUSTON POST

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 News Executive
 FELTON WEST
 City Editor
 HELON N. JOHNSON
 Director and Administration Assistant

THE HOUSTON POST

5-10-61

Houston, Texas

FRANK H. KING, Vice President
 and Executive Editor

RE: SS WILSON B. KEENE;
SS HIGH FLYER; SS
GRANDCAMP; ADMIRALTY NOS.
1868, 1869, 1870
ADMIRALTY MATTER
(Hofile: 131-39)

HOUSTON DIVISION

1131-36-
 NOT PERTINENT
 191 MAY 22 1961

169
 57 MAY 22 1961

Mr. Tolson	.....
Mr. Persons	.....
Mr. Mohr	.....
Mr. Belmont	.....
Mr. Clegg	.....
Mr. Conrad	.....
Mr. Dr. Clegg	.....
Mr. Evans	.....
Mr. Higgins	.....
Mr. Rosen	.....
Mr. Tavel	.....
Mr. Trotter	.....
Mr. V. C. Sullivan	.....
Tele. Room	.....
Mr. Ingram	.....
Miss Gandy	.....

\$70 MILLION DECISION REVERSED

France, French Line Ruled Innocent in Texas City Blast

The United States may not collect \$70 million from the Republic of France and the French Line in damage claims arising from the Texas City disaster, the U. S. Fifth Circuit Court of Appeals has ruled.

In a decision which was mailed to Houston Monday, the circuit court at New Orleans reversed a ruling by District Judge Ben C. Connally of Houston and remanded the case with directions to him to adjudge the French not liable for any claim arising out of the explosion on a French ship.

THE REVERSAL came more than 14 years after the disaster.

Connally had ruled in 1959 that the French were negligent by not taking adequate precautions against fire.

The SS Grandcamp, owned by the French government and operated by the Compagnie Générale Transatlantique (the French Line), exploded April

16, 1947, while being loaded with a cargo of fertilizer (ammonium nitrate).

Two other ships nearby later exploded and the explosion and fire nearly leveled most of the Texas City industrial area near the docks. About 570 persons died, nearly 3,500 were injured and millions of dollars of property damage was done during the two-day disaster.

IN AN EARLIER test case the United States government had been found liable by a district court. The circuit court and the U. S. Supreme Court reversed the lower court and ruled the government was not liable.

It would be ironic indeed if the U. S. were permitted to impose liability for these claims on the Republic of France and on the French Line in this litigation by claiming now that unlike the officials and employees of the U. S., the officials and employees of the French

government and the master of the Grandcamp should have known that FGAN (the commercial name for the fertilizer which exploded) was a dangerous explosive and that an explosion from the fire should reasonably have been anticipated," the circuit court said in a quotation from the French arguments.

The decision would appear to settle all claims in the Texas City disaster, once and for all. The last claim was paid in 1957 by the U. S. government under the provisions of the Texas City Relief Act.

THE ACT PROVIDED for the government to pay uninsured individual claims up to \$25,000 and provided that the claimants assign to the government all claims against any third party.

The government settled \$70 million in claims for \$16.5 million.

THE HOUSTON POST

5-9-61

Houston, Texas

HOUSTON DIVISION

RE: SS WILSON B. KEENE;
SS HIGH FLYER; SS GRANDCAMP
ADMIRALTY NOS. 1868, 1869,
1870; ADMIRALTY MATTER
(Hofile: 131-39)

HOUSTON DIVISION

112-363-A
19 MAY 22 1961

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37 MAY 22 1961

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tion under the limitations of the act.

In May, 1957, the U. S. filed an amended claim for \$70 million against France and the French Line.

Circuit Judge Joseph C. Hutcheson dissented from the decision.

"Two red herrings have been carefully and sedulously drawn by the appellants across the trail of true fact," Hutcheson said.

UNDUE EMPHASIS had been put on the earlier Supreme Court decision, which had ruled the U. S. was not liable, and on the question of whether damage was reasonably foreseeable, he said.

The appellate court was in-
dicating the province of the district judge on the question of whether the explosion was possible or probable, Hutcheson said.

France Not Liable For Texas City Blast

To all intents, the numerous circuit court and Supreme court actions resulting from the Court's tragic Texas City disaster today had ended. Court's Ruling The Appellate ruling said:

The apparent last verdict was handed down by the Fifth Circuit Court of Appeals in New Orleans yesterday.

It ruled the Republic of France and the French Line (Compagnie Generale Trans-Atlantique) "not liable" for any claim arising from the 1947 explosion and fires triggered by the detonation of ammonium nitrate fertilizer aboard the SS Grandcamp.

The explosion killed 570 persons.

The decision reversed a 1959 ruling in Houston by Federal Judge Ben C. Connally that the French government, owners of the SS Grandcamp, and the French Line, the ship's operators, were negligent because of a lack of fire prevention on the freighter.

The Appellate Court's ruling means the United States may not collect the \$70 million from France which this government has paid in settling claims for death, injury and damage due to the disaster.

2 Days of Disaster

Fires and explosions which raged Texas City for two days (April 16-17, 1947) resulted in injuries to more than 3500 persons. Property damage ran into millions of dollars as the city's industrial area was leveled.

The Fifth Circuit Court ruling remanded the case to Judge Connally with instructions to adjudge France not responsible for any claim arising from the disaster.

The Appellate decision was based, in part, on an earlier test case in which the U.S. government had been adjudged liable by a federal district court only to have the ruling reversed by

Mr. Tolson	_____
Mr. Parsons	_____
Mr. Tamm	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Conrad	_____
Mr. Edwards	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Tavel	_____
Mr. Trotter	_____
Mr. W.C.Sullivan	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

THE HOUSTON PRESS

5-9-61

Houston, Texas

RE: SS WILSON B. KEENE;

~~SS HIGH FLYER~~: SS

GRANDCAMP: ADMTR

GRANDCATH, ADTERRA

NOS. 1868, 1869,
ADMIRALTY MATTER

ADMIRALTY MATTER
(uofile: 131-38)

(HOTFILE: 131-39)
HOUSTON DIVISION

HOUSTON DIVISION

NOTICE
191 MAY 22 1966

2 MAY 22 1961

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: June 16, 1961

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE;

SS HIGH FLYER;

SS GRANDCAMP

OBART ADMIRALTY NUMBERS 1868, 1869, 1870

ADMIRALTY MATTER

OO: HOUSTON

Reference is made to New Orleans letter to Director dated 5/4/61 in captioned matters.

Enclosed is copy of opinion obtained from Fifth Circuit Court of Appeals, under docket number 18064, dated May 5, 1961. The records indicate an order dated May 27, 1961 issued for extending time to file petition by the United States Government for rehearing until June 19, 1961. This case is being followed.

2 Bureau (ENCL. 1)
1-Houston (131-39) (ENCL. 1)
1-New Orleans
JES:emz
(4)

ENCLOSURE ATTACHED
ENCLOSURE

EX-116

REC-65

131-363-38

17 JUN 19 1961

63 JUN 22 1961

TO: DIRECTOR, FBI (131-363)
FROM: SAC, NEW ORLEANS (131-65)
SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
OO: HOUSTON

ENCLOSURE:

One copy of opinion obtained from Fifth Circuit Court
of Appeals, under docket number 18064, dated May 5, 1961.

131-363-138
ENCLOSURE

IN THE
United States Court of Appeals
FOR THE FIFTH CIRCUIT

No. 18064

**REPUBLIC OF FRANCE & COMPAGNIE GENERALE
TRANSATLANTIQUE,**

Appellants,

versus

UNITED STATES OF AMERICA, ET AL.,
Appellees.

*Appeal from the United States District Court for the
Southern District of Texas.*

(May 5, 1961.)

Before TUTTLE, Chief Judge, and HUTCHESON, RIVES,
CAMERON and JONES, Circuit Judges.

RIVES, Circuit Judge: The fire upon and explosion of the S.S. Grandcamp at Texas City, Texas, while she was loading a cargo of Fertilizer Grade Ammonium Nitrate (FGAN) on April 16, 1947, resulted in more than 500 deaths, more than 3000 personal injuries, and

tremendous destruction of and damage to property. It has become known as the Texas City Disaster. On May 5, 1947, two weeks after the disaster, the Republic of France, as owner, and Compagnie Generale Trans-atlantique (hereinafter referred to as the "French Line"), as agent of the owner or charterer of the vessel, filed a petition in the District Court for the Southern District of New York (Admiralty No. 149-248), pursuant to the Limitation of Liability Act, 46 U.S.C. Sections 182-189, praying for exoneration from or limitation of liability for damages resulting from the explosion. That New York limitation proceeding is still pending without trial or other disposition.

On October 17, 1947, within the six-month period prescribed by 46 U.S.C. §185, the Republic of France and the French Line filed the present like petition for exoneration or limitation of liability in the District Court for the Southern District of Texas. A long delay in bringing the latter petition to trial has been occasioned by giving precedence to the suits under the Federal Tort Claims Act, 28 U.S.C. §§1346 and 2674, against the United States, the manufacturer of the FGAN. Eventually, this Court held that the United States was not liable, and its decision was affirmed by the Supreme Court. *In re Texas City Disaster Litigation*, 5 Cir., 1952, 197 F.2d 771, affirmed *sub nom. Dalehite v. United States*, 1953, 346 U.S. 15.

Thereafter, in 1955 Congress enacted the Texas City Relief Act, 69 Stat. 707-709. That Act left insurance underwriters to bear their own losses, but provided for payment of uninsured claims in an amount not

exceeding \$25,000.00 for any one claim. Pursuant to the provisions of that statute, the United States paid approximately \$16,000,000.00 to victims of the disaster and obtained from the recipients assignments of their claims for death, personal injuries and property damages which totalled approximately \$70,000,000.00. Thereafter, in May 1957, the United States filed in this proceeding an amended claim based upon these assignments, not for the \$16,000,000.00 paid, but for approximately \$70,000,000.00, the amount originally asserted by these claimants.

The claims of all persons who made assignments to the United States were dismissed on January 27, 1958. Many persons who had not made assignments to the United States thereafter voluntarily withdrew their claims. The only remaining claimant, other than the United States, is the Texas City Railway Terminal Co. That Company did not file under the Texas City Relief Act because it was not willing to assign an uninsured loss of nearly five million dollars for the \$25,000.00 maximum allowed under the Relief Act. In addition to its assigned claims, the United States filed a claim in the amount of \$350,000, as successor to the Reconstruction Finance Corporation, for the loss of goods in a warehouse awaiting loading on another vessel.

Neither of petitioners here was a party to the *Dalehite* case. The cases are alike to the extent that each arises out of the Texas City Disaster. Sensibly, the trial of the present case was shortened by the introduction by agreement of the testimony in *Dalehite* of 86 of the total of 133 witnesses in that case. Four

of the witnesses in *Dalehite* again testified in this case, and an additional 25 witnesses testified in open court during thirteen days of trial. So that the findings and decision of the district court in this case were based not only on a large part of the evidence taken in *Dalehite*, but also on a voluminous record now comprising some 2400 pages of additional testimony. The issues in the two cases, particularly at the present stage of this limitation proceeding, are not identical.

The findings of fact and conclusions of law of the district court in this case comprise some 43 pages of the printed record, and have been published at 171 F.Supp. 497 and at 1959 A.M.C. 547. Based upon such findings and conclusions, the district court entered an interlocutory decree granting the motion of the petitioners for leave to implead the United States,¹ and denying the petitions for exoneration or limitation.² This appeal is from that decree.

The only ultimate issue so far determined by the district court is that the petitioners are not entitled to

¹ In this connection, the district court's findings were made "without determining whether the United States may have been at fault in any particular in connection with the manufacture or shipping of the FGAN, or, if so, the effect thereof as to the various types of claims which the United States asserts, if there be such negligence it was not the sole cause of the disaster (as petitioners contend)."

² The operative parts of the interlocutory decree read:
"Ordered, that the motion of petitioners for leave to implead the United States of America pursuant to the 56th Rule in Admiralty of the United States Supreme Court is hereby granted and allowed; and it is further

"Ordered, Adjudged and Decreed, that said petition of the Republic of France and the Compagnie Generale Transatlantique for exoneration from and/or limitation of liability should be and hereby is denied as to each of said petitioners."

exoneration from or limitation of liability. The merits of the claims or of the impleading petition have not yet been determined. The decree was captioned by the district court as an "Interlocutory Decree," and for purposes of appellate jurisdiction we think that it must be so considered. See *La Bourgogne*, 1907, 210 U.S. 95, 112, 113. The jurisdiction of this Court of Appeals is that granted by 28 U.S.C. §1292 (a)(3):

"(a) The courts of appeals shall have jurisdiction of appeals from:

.

"(3) Interlocutory decrees of such district courts or the judges thereof determining the rights and liabilities of the parties to admiralty cases in which appeals from final decrees are allowed."

While interlocutory for purposes of appellate jurisdiction, this decree finally determined the rights and liabilities of the parties by denying the petition for exoneration from or limitation of liability. To that extent, the decree is not subject to the rule usually applicable to interlocutory decrees,³ viz: that in reaching its final decree the court may exercise its discretion to re-examine any or all of its findings which form the basis of the interlocutory decree. Instead, except as to the issues which were reserved to be determined on the impleader of the United States (see footnote 1, *supra*), the present decree is *res judicata* on the issue

³ See 30 Am. Jur., Judgments, Section 340; 50 C.J.S., Judgments, Section 650.

of liability for the damages caused by the explosion.⁴

The district court found that the Grandcamp was unseaworthy in that she was improperly manned and improperly stowed, and that the Grandcamp's unseaworthiness was within the privity and knowledge of

⁴ British Transport Commission v. United States, 1957, 354 U.S. 129, 137, 142; affirming British Transport Commission v. United States, 4 Cir., 1956, 230 F.2d 139, 144; Algoma, Central & Hudson Bay Ry. Co. v. Great L.T. Corp., 2d Cir., 1936, 86 F.2d 708, 710; Gilmore & Black, *The Law of Admiralty*, pp. 733, 735; cf. Continental Grain Co. v. Barge FBL-585, 1960, 364 U.S. 19, 25.

That was substantially the position taken by Government counsel upon oral argument:

"JUDGE RIVES: Assuming that this interlocutory decree should be affirmed, where would you go from there? What would the government have to prove before it got a final decree?

MR. DAVIS: Well, assuming that the interlocutory decree is confirmed, your Honor, it goes back to the District Court for further proceedings.

JUDGE RIVES: What issues remain open? That's what I'm talking about.

MR. DAVIS: The questions of damages remain open, that is the principal one.

JUDGE RIVES: What issues as to liability remain open?

MR. DAVIS: What issues as to liability remain open? In respect of the petitioners' claim for exoneration and limitation of liability, that is the question that is up before this Court, and that question will be decided now.

JUDGE RIVES: What I am asking, before you get a judgment for your damages, have you still got to prove liability, and have they got to prove—

MR. DAVIS: Yes, I have to prove liability with respect to the various claims.

JUDGE RIVES: You have to prove your damages, of course?

MR. DAVIS: That is true, that is part of it.

JUDGE JONES: When you go back, are you going to have the burden of showing that somebody on that morning threw a cigarette in the hold and that started the fire?

MR. DAVIS: No, sir, I will not have any such burden, your Honor.

JUDGE CAMERON: You take the position, or you think the Court findings have settled that finally?

MR. DAVIS: As to the cause of the fire, yes, sir, I think the Court findings have settled that.

JUDGE CAMERON: You are taking the position that the question of negligence cannot be litigated again, that the Court has already found negligence on the part of this Petitioner, and that is the law of the case?

the petitioners.⁵ The district court found also that the master and the petitioners were guilty of fault and negligence both in the origin of the fire⁶ and in the failure to extinguish it in its incipient stage.⁷ The court concluded:

"From the foregoing, it follows that by reason of the fault and negligence of the petitioners, and the unseaworthiness of the vessel, all of which was within the privity and knowledge of petitioners, neither is entitled to exoneration from or limitation of liability under §183, Title 46 U.S.C.A."⁸

All of the claims having been filed, and there being no claims for loss of or damage to cargo, it is apparent that the fire statute, 46 U.S.C. §182, is not applicable, and that consideration can be restricted to limitation of liability, 46 U.S.C. §183. It is apparent also that

MR. DAVIS: The question of negligence, insofar as the petitioner is concerned, your Honor, cannot be litigated again. As respects the question of negligence as far as the United States is concerned, they can litigate that.

JUDGE RIVES: They can litigate that it was the United States' fault and that they are in no position to recover; do you think that issue is still open?

MR. DAVIS: Certainly that issue is still open. In the final meeting of counsel before the Trial Judge we had no objection to his allowance of the in-pleading petition, we have no reserve about meeting that. We did not want to confuse things, and thought we should decide this question first and then we will decide that. Basically that goes to the amount of damages."

⁵ See Findings numbered 40, 41, 42, 43 and 44 at 171 F.Supp. 509, 510.

⁶ See particularly Findings 31 and 37-39, 171 F. Supp. 508, 509.

⁷ See particularly Findings 33-36, 171 F.Supp. 509, and Findings 45-48, 171 F.Supp. 510, 511.

⁸ Petition of Republic of France, S.D. Tex., 1959, 171 F.Supp. 497, 512.

there are no claims to which seaworthiness, not in itself amounting to negligence,⁹ can apply.

The findings of fault and negligence which appellants challenge on this appeal are those pertaining to the cause of the fire, and to the procedures that should have been used in attempting to extinguish the fire at its incipiency.¹⁰

We are relieved from entering into an exhaustive review of this voluminous record to reach a decision as to whether or not those findings of fact are clearly erroneous¹¹ by the following considerations. All of the claims for personal injury, death, and property damage resulted not directly from fire but from explosion. The district court found no more than that the Master could have foreseen the possibility of explosion:

"The Master could and reasonably should have foreseen and anticipated the danger of a disastrous fire, with the possibility of explosion, in failing to prevent smoking in the presence or proximity of the FGAN. His negligence in this regard constituted a proximate cause of the fire, the resultant explosion, and the damages which ensued.⁸

⁸ In connection with this finding as to 'foreseeability', it is undoubtedly true that the force and devastating effects of this explosion shocked and surprised the scientific field as well as the transportation industry:

⁹ See *Mitchell v. Trawler Racer, Inc.*, 1960, 362 U.S. 539, 542-549; *Michalic v. Cleveland Tankers, Inc.*, 1960, 364 U.S. 325, 327-328.

¹⁰ The evidentiary basis for those findings is adequately disclosed in the full opinion of the district court. See 171 F.Supp. at pp. 505-511.

What was not generally recognized before Texas City was (a) that ammonium nitrate would cause a detonation of such magnitude in the absence of great confinement and pressure (as within a bomb), and (b) that fire and heat alone would cause such detonation, without an initial or booster detonation; or, according to one theory, with such initial detonation resulting from an explosion of accumulated gases, which in turn come from the heated and decomposing ammonium nitrate.

"From the literature and information generally available, I do not believe that, in the exercise of ordinary care, the Master could have foreseen the probability of an explosion of *this sort*, even in the presence of fire. This finding should be interpreted in this light, and is based on the premises that, as he could foresee danger from fire from his negligent conduct, the 'foreseeability' test is met, and it is not necessary that he be able to foresee the *extent* of the damage which may ensue."¹²

In Texas, as elsewhere, not only proximate causal connection but also the very existence of a duty the breach of which will constitute actionable negligence depends upon reasonable foreseeability of consequences.¹³

¹¹ See *McAllister v. United States*, 1954, 348 U.S. 19; *C.J. Dick Towing Co. v. The Leo*, 5 Cir., 1953, 202 F.2d 850, 853, 854.

¹² *Petition of Republic of France*, S.D. Tex., 1959, 171 F.Supp. 497, 508-509.

¹³ *Houston Light & Power Co. v. Brooks*, Tex., 1960, 336 S.W. 2d 603; *Frosser on Torts*, 2d ed., pp. 258, 259.

The appellants urge as their "principal point" that, "even if unseaworthiness, fault and negligence be conceded, the district court, on the basis of its own findings, erred as a matter of law in holding that the claimed negligence which resulted in fire was the proximate cause of the injuries which resulted from the successive explosions, as its finding as to 'foreseeability' does not meet the standard of Texas law which was recognized by this Court in *Texas-New Mexico Railway Company v. Bailey*, 203 F.2d 647 (1953)." The appellants emphasize that the district court found that the master could reasonably have foreseen only the possibility of explosion, and could not have foreseen "the probability of an explosion of this sort," and urge upon us our statement of the rule of liability in Texas, and the decisions upon which that statement is based:

"In Texas the test of whether a negligent act or omission is a proximate cause of injury is whether 'the wrong-doer might by the exercise of ordinary care have foreseen that *some similar injury* might result from the negligence.' *Atchison v. Texas & P. Ry. Co.*, 143 Tex. 466, 186 S.W. 2d 228, 232; *St Louis B.&M. Ry. Co. v. Brack*, Tex.Civ.App., 102 S.W. 2d 261, 273." (Emphasis supplied.)

Texas-New Mexico Ry. Co. v. Bailey, 5 Cir., 1953, 203 F.2d 647, 649-50.

In their reply brief, the appellants concede that the case of *Hopson v. Gulf Oil Corp.*, Tex., 1951, 237 S.W. 2d 352, 356, quoted in *Chicago, R.I. & P. Co. v. Goodson*,

5 Cir., 1957, 242 F.2d 203, 207, correctly states the rule as follows:

"It is sufficient that the defendant would reasonably have anticipated consequences or an injury of the general nature of that which ensued."

That rule is emphasized in the more recent opinion of *Biggers v. Continental Bus System*, Tex., 1957, 303 S.W.2d 359, 364, 365, which disapproved a holding "that one's negligence cannot be a proximate cause of an injury unless the precise manner or means of the injury resulting from the negligence can be foreseen"; and, instead, held that:

"The true rule is correctly stated in *Sullivan v. Flores* where it is said that all that is necessary to establish that an actor's negligent act is a proximate cause of an injury is proof that 'As a person of ordinary intelligence and prudence, he should have anticipated the danger to others created by his negligent act, and the rule does not require that he anticipate just how injuries will grow out of that dangerous situation.' [134 Tex. 55, 132 S.W.2d 111.]"

The appellees argue with much force that the district court found that fault or negligence within the privity or knowledge of the owner or owners caused the fire and permitted it to increase in intensity, and that the fire caused the disastrous explosion. The appellees insist that that causal connection is sufficient within

the holding of this Court in *Chicago, R.I. & P. R. Co. v. Goodson*, 1957, 242 F.2d 203, 207:

“As to the element of foreseeableness which is stressed as being an important element of probable cause in Texas jurisprudence, we think it correct to say that whatever directly results by the operation of natural laws from the unlawful channelling of water onto another's premises is a foreseeable event within the Texas rule.”

The fallacy in that chain of argument is that it is only the operation of natural forces theretofore recognized as normal which one is charged with foreseeing.

“*Meaning of ‘normal.’* The actor as a reasonable man is required to anticipate and provide against the normal operation of natural forces. And here the word ‘normal’ is used to describe not only those forces which are constantly and habitually operating but also those forces which operate periodically or with a certain degree of frequency.”¹⁴

“*Abnormal conditions of nature.* The actor is not required to anticipate or provide against conditions of nature or the operation of natural forces which are of so unusual a character that the burden of providing for them would be out of all proportion to the chance of their existence or operation and the risk of harm to others involved in their possible existence or operation. It is therefore not necessary that a particular operation of the natural force be unprecedented. The likelihood of its recurrence may

¹⁴ 2 Restatement of Torts, pp. 816-817.

be so slight that in the aggregate the burden of constantly providing against it would be out of all proportion great as compared with the magnitude of the risk involved in the possibility of its recurrence."¹⁵

While in the present case there was some testimony in addition to the vast amount of evidence before the court in the Texas City Disaster Litigation, the district court still found it "undoubtedly true that the force and devastating effects of this explosion shocked and surprised the scientific field as well as the transportation industry." The district court further found as to ammonium nitrate, which constituted approximately 95% of the FGAN, and which, with the benefit of hindsight, we now know to be the explosive part of the mixture:

"18. Despite its use as a principal ingredient of high explosives, at the time of the disaster ammonium nitrate was not, and is not now, classified as an 'explosive' for transportation purposes by the Interstate Commerce Commission or the Coast Guard. This is true because it was considered that to cause the detonation of ammonium nitrate, an initial shock or 'booster' of considerable magnitude was required. The chances of such an initial or booster detonation being encountered in normal conditions of transportation has always been considered so remote as to be negligible."¹⁶

Substantially all of the evidence is to the effect that the explosion, as distinguished from the fire, could not

¹⁵ Id. at p. 818.

¹⁶ Petition of Republic of France, S.D. Tex., 1959, 171 F.Supp. 497, 503.

reasonably have been foreseen. In the opinions of the four judges of our Court constituting the majority in the earlier case, that was pretty clearly stated. Speaking for three of the judges, the writer had said:

"In this case, it can hardly be argued that the dangers of explosion from FGAN were so well known prior to the disaster that judgment or discretion were not called into exercise as to whether it should be manufactured at all and under what safeguards and warnings it should be distributed. Even if some danger were recognized, the necessity of providing means of existence to the devastated areas might have called for the exercise of discretion as to whether to take a 'calculated risk.'"¹⁷

Judge Strum expressed himself more positively:

"This explosion was wholly unprecedented. Prior to this disaster, there had been no known instances of explosions during land transit, while in stowage awaiting export, in the many shiploads previously shipped overseas, nor in this FGAN while part of it was stacked at the Texas City Terminal awaiting loading."¹⁸

When the case reached the Supreme Court, Mr. Justice Reed, speaking for the Court, said:

"There must be knowledge of a danger, not merely possible, but probable," *MacPherson v. Buick Motor Co.*, 217 N.Y. 382, 389, 111 N.E. 1050, 1053. Here, nothing so startling was ad-

¹⁷ *In re Texas City Disaster Litigation*, 5 Cir., 1952, 197 F.2d 771, 778.

¹⁸ *Id.* at p. 782.

duced. The entirety of the evidence compels the view that FGAN was a material that former experience showed could be handled safely in the manner it was handled here.”¹⁹

We agree with the view so aptly expressed in the appellants' brief:

“. . . . It would be ironic indeed if the United States were permitted to impose liability for these claims on the Republic of France and the French Line in this litigation by claiming now that, unlike the officials and employees of the United States, the officials and employees of the French Government and the master of the Grandcamp should have known that FGAN was a dangerous explosive and that an explosion from fire should reasonably have been anticipated.”

It results that the judgment must be reversed and the cause remanded with directions to adjudge that the petitioners are not liable for any claim arising out of or consequent upon the explosion of the steamship Grandcamp.

REVERSED AND REMANDED WITH DIRECTIONS.

¹⁹ Dalehite v. United States, 1953, 346 U.S. 15, 42.

HUTCHESON, Circuit Judge, Dissenting:

I am unable to agree with the conclusion of the majority that the findings and conclusions of the district judge are clearly erroneous and his judgment must be reversed. A careful reading and re-reading of the district judge's findings and conclusions as a whole, as they are set out in his opinion, Petition of Republic of France, as Owner and of Compagnie Generale Transatlantique, as Agent, of THE Steamship GRANDCAMP, in a cause of Exoneration from and Limitation of Liability, No. 1870, 171 F. Supp., 497, leaves me with the clear conviction that the findings of fact are well supported by the record, and that the conclusions, that the petitioner is not entitled to limitation, or exoneration from liability, are well supported in law and in fact. I cannot, therefore, concur in the opinion of the majority which rejects the findings and reverses the judgment, but must dissent therefrom.

With deference, it seems to me that the majority opinion has gone astray as a direct result of the fact that two red herrings have been carefully and sedulously drawn by appellants across the trail of true fact and law which the district judge's opinion presents.

The first of these red herrings is undue emphasis on the decisions and opinions of this court and of the Supreme Court in the first Texas City disaster case, 197 F(2) 771, 346 U.S. 16. With deference those decisions and opinions have nothing to do with this case either as res judicata or as stare decisis. This case was tried on its own facts as a separate case by a different tribunal and judge and between different

parties, and decision in it cannot be controlled or influenced by what occurred in those cases for two reasons: (1) the cases were tried on different facts by a different judge; and (2) the decisions in the appellate courts were based entirely on the view that the suit came within the discretionary provision of the Federal Tort Claims Act and, therefore, could not be maintained against the United States.

The majority, therefore, in my opinion, clearly errs in giving to the opinions in the Dalehite case the effect substantially of res judicata. This is so for two reasons. In the first place, this case was tried and must be determined upon its own evidence, upon which it was, in my opinion, entirely correct for the district judge to find fault and negligence as he did. In the second place, the Dalehite case did not go off on the conclusion of no negligence but on the conclusion that the claim was excepted out of the Act by its discretionary provision.

The second red herring is the contention that damage of the kind occurring here was not, under Texas law, reasonably foreseeable. The contention invades the function and province of the district judge and in effect runs counter to the universally prevailing rule that the particular character of damage done does not have to be foreseen, but it is sufficient if the evidence shows that some damage could reasonably have been foreseen. It is clear to me that the majority opinion errs in giving to the Texas law on foreseeability, as an element of negligence and proximate cause, a meaning and effect different from that actually ascribed to it here and in other jurisdictions.

As the first and leading case in Texas on the question, *T & P Ry. v. Bigham*, 90 Texas at 227, shows, the rule applied in Texas is the same as that applied generally elsewhere. There the Texas Supreme Court, quoting with approval from *Milwaukee Ry. Co. v. Kellogg*, 94 U.S. 409:

"* * it is generally held that, in order to warrant a finding that negligence, or an act not amounting to wanton wrong, is the proximate cause of an injury, it must appear that the injury was the natural and probable consequence of the negligence or wrongful act, and that it ought to have been foreseen in the light of the attending circumstances."

then went on to say:

"This is probably as accurate a statement of the doctrine as can be given, and is substantially that generally laid down by the authorities. Upon the doctrine as abstractly stated there is a substantial consensus of opinion. That difficulties arise when we come to apply it to particular cases is not surprising when we reflect, that minds are prone to differ as to such questions; that the degree of probability rises by almost imperceptible gradations; and that the circumstances of such cases are so variant that hardly two can be found which present precisely the same state of fact. Under such circumstances it is hardly to be expected that many cases will not be found, the result of which seemingly do not accord with the doctrine as generally recognized.

"But we are not prepared to hold that in no case can the original cause of the injury be

deemed the proximate cause, where an independent and disconnected agency has supervened and brought about the result. The fact of the intervention of an independent agency, it occurs to us, bears more directly upon the question whether the injury ought, under all the circumstances, to have been foreseen; and, where this latter fact appears, we think that the original negligent act ought to be deemed actionable. In *Seale v. Railway Co.*, 65 Texas, 274, Chief Justice Willie says: 'If the intervening cause and its probable or reasonable consequences be such as could reasonably have been anticipated by the original wrongdoer, the current of authority seems to be that the connection is not broken.' It follows, that in our opinion, the question of probable cause ought to depend upon the further question, whether a reasonably prudent man, in view of all the facts, would have anticipated the result—not necessarily the precise actual injury, but some like injury, produced by similar intervening agencies." (Emphasis supplied.)

This court, in *Chicago, R.I. & Pac. Ry. Co. v. Goodson*, 242 F(2) 203, by Rives, Tuttle and Jones, with Judge Tuttle the organ of the court, accurately discussed and stated, and correctly applied the Texas doctrine of foreseeability.

It seems clear to me that in this maritime case the district judge correctly understood the principle obtaining and correctly applied it to find liability here. I would affirm the interlocutory decree both on limitation and exoneration of liability, without prejudice, how-

ever, to the right of the petitioner, in defense of particular claims for damages, to offer such further evidence in each case bearing on the question of foreseeability as it may desire to offer.

It seems clear to me, also, that the majority has given too much and a wrong effect to the statement of the district judge, in note 3 in his opinion, where, after having stated in the body of the opinion that the master could and should have foreseen the danger of a disastrous fire, said in the note to his opinion at that point that the master could not have foreseen the explosion that occurred. With deference, to the contrary view of the majority, it seems clear to me that the district judge was distinguishing between what the *master, as a natural man and individual, actually knew as distinguished from what, as a representative of the ship and owner, he was required in law and ought to know.* A reading of the opinion as a whole, in which the district judge points out fully his reasons for denying the limitation, shows, I think, in the clearest way that the district judge, in the note, was making this distinction and was not contradicting his finding in the body of the opinion, that the master was charged with the knowledge and ought to have known and foreseen an explosion as a consequence of the situation which was then and there obtaining.

I respectfully dissent.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 7/19/61

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON_B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
OO: HOUSTON

Reference is made to letter to Director dated 6/16/61
in captioned matter.

On 7/14/61 the records of the 5th Circuit Court of Appeals, New Orleans, under docket #18064, disclosed that petition for rehearing was filed on 6/19/61 and the court denied the rehearing on 7/11/61. The Clerk of the Appeals Court advised that the Government now has 90 days from 7/11/61 to file for a writ to the Supreme Court. This case is being followed.

2-Bureau
2-Houston
2-New Orleans
JES:cjo
(6)

REC-18

JCT-26

131-5-139

10 JUL 28 1961

62 JUL 28 1961

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: August 25, 1961

FROM : SAC, NEW ORLEANS (131-65)

W&
FB

SUBJECT: SS. WESON B. KEENE;
 SS HIGH FLYER;
 SS GRANDCAMP
 ADMIRALTY NUMBERS 1868, 1869, 1870
 ADMIRALTY MATTER
 OO: HOUSTON

w

Reference is made to letter to Director dated 7/19/61 in captioned matter.

On August 18, 1961 the records of the Fifth Circuit Court of Appeals, New Orleans under docket number 18064, disclosed that on July 25, 1961 the record has been prepared for Certiorari, however, the clerk's office has not been advised the motion has been filed. This is being followed.

[Signature]
 2-Bureau
 2-Houston (131-39)
 2-New Orleans
 JES:emz
 (6)

REC-23

131-363-140

17 AUG 28 1961

FEDERAL BUREAU OF INVESTIGATION

6 AUG 11 1961

[Signature]

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: 10/4/61

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT:

SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
CO: HOUSTON

Reference is made to New Orleans letter to Bureau,
8/25/61 in captioned matter.

On 9/28/61 the records of the Fifth Circuit
Court of Appeals, New Orleans, under docket #18064,
disclosed that the Clerk's office on 9/19/61 received
an order staying the Mandate until 10/23/61. This is
being followed and results will be reported.

2-Bureau
1-Houston (131-39)
1-New Orleans
JES:lyc
(4)

REC- 69

144

CCW 131.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
OO: HOUSTON

DATE: 11/3/61

pr
Re New Orleans let to Director dated 10/4/61
in captioned matter.

On October 30, 1961, the records of the 5th Circuit Court of Appeals, New Orleans, under Docket number 18064, disclosed that on October 26, 1961 a motion for extension of the Stay of Mandate was filed. However, the docket fails to disclose the motion had been granted. This case is being followed and results will be submitted.

② Bureau
1-Houston (131-39)
1-New Orleans
JES/lam
(5)

Am

REC-43

131-363-142

22 NOV 6 1961

bmx

NOV 15 1961 *JF*

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: 12/13/61

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
OO: HOUSTON

Remylet to Bureau dated 11/3/61 in captioned matter.

On December 11, 1961, the records of the Fifth Circuit Court of Appeals, New Orleans, under docket number 18064, disclosed that on November 4, 1961, the Stay of Mandate was extended to December 8, 1961.

No further action has been taken to date in this matter.

This case is being followed and results will be submitted.

② - Bureau
1 - Houston (131-39)
2 - New Orleans

JES:jab

(5)

REC-45

REC-45 131-363-143
B DEC 14 1961

16
58 DEC 19 1961

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: January 24, 1962

1/24
18
FROM

SAC, NEW ORLEANS (131-65) (P)

SUBJECT:

SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
(OO: Houston)

Re Remylet to Bureau dated December 13, 1961, in captioned matter.

On January 22, 1962, the records of the Fifth Circuit Court of Appeals, New Orleans, under Docket 18064, disclosed that on December 11, 1961, a copy of order of U. S. Supreme Court Clerk as to Certiorari was filed. No further action has been taken in this matter.

This case being followed and results will be submitted.

② - Bureau
1 - Houston (131-39)
2 - New Orleans

JES:jao
(5)

REC-48

EX-107

131-363-144
9 JAN 29 1962

42
57 FEB 2 1962

French Win Texas City Blast Case

27 WASHINGTON (AP) — The Supreme Court refused yesterday to review a decision that the French government and the French Line are not liable for any claims from explosion of the steamship Grandcamp in the 1947 Texas City, Tex., disaster.

The decision was given by the United States Circuit Court in New Orleans. It was appealed by the Justice Department, which said the potential liability involved was \$75 million.

A fire on the French lines vessel resulted in an explosion. This touched off an explosion aboard another freighter and fires spread through petroleum and chemical installations in Texas City. More than 500 persons were killed and more than 3,000 injured.

The United States Government, after paying many damage claims, filed suit against the French government and the French Line. The United States District Court in Houston ruled in favor of the United States, finding that a carelessly tossed cigarette or match likely caused the fire. The French contended spontaneous combustion in a cargo of fertilizer grade ammonium nitrate was responsible.

On an appeal by France and the French Line, the Circuit Court, reversed the Houston court. In appealing to the Supreme Court, the Justice Department argued that the circuit court misconceived the issues involved.

A companion appeal, asking reversal of the circuit court decision, was filed with the Supreme Court by the Texas City Terminal Railway Co. This appeal likewise was rejected by the high court.

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 Delaugh _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele Room _____
 Ingram _____
 Gandy _____

The Washington Post and _____
 Times Herald _____
 The Washington Daily News _____
 The Evening Star _____
 New York Herald Tribune **27** _____
 New York Journal-American _____
 New York Mirror _____
 New York Daily News _____
 New York Post _____
 The New York Times _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal _____
 Date _____

50 MAR 7 1962

131 363-A
 NOT RECORDED
 46 MAR 5 1962

6-KW

131 363-A
 131 363-A
 131 363-A

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: March 19, 1962

FROM : SAC, NEW ORLEANS (131-65)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER;
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
(OO: HOUSTON)

Remylet to Bureau dated 1/24/62 in captioned matter.

On March 7, 1962 the records of the 5th Circuit Court of Appeals, under docket #18064, disclosed that on March 2, 1962 Certiorari was denied on behalf of the U. S. Government and on behalf of Texas City Terminal RR Co. Mandate will be issued within the next several weeks according to the clerk of this Court of Appeals. This case will be followed for date Mandate issued.

2-Bureau
1-Houston (131-39)
2-New Orleans

JES:dr

(5)

REC'D 14
3/19/62

131-363-145

10

17

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-363)

DATE: 4/18/62

FROM : SAC, NEW ORLEANS (131-65) (RUC)

SUBJECT: SS WILSON B. KEENE;
SS HIGH FLYER
SS GRANDCAMP
ADMIRALTY NUMBERS 1868, 1869, 1870
ADMIRALTY MATTER
OO: HOUSTON

Reference is made to New Orleans letter to the Director dated 3/19/62 in captioned matter.

On 4/11/62, the records of the 5th Circuit Court of Appeals under Docket #18064, disclosed that Mandate was issued to the District Court, Houston, Texas on 3/15/62 and this has been placed in closed status by the Court of Appeals Clerk's Office.

② Bureau
2-Houston (131-39)
2-New Orleans
JES/dmt
(6)

REC-16

131-363-146

APR 20 1962

U. S. DEPT. OF JUSTICE
FBI

HHS SA 1 23 APR 62

EXCEP. PERIODICALLY
RECEIVED

36

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (131-368)

DATE: 5/9/62

FROM : SAC, HOUSTON (131-39) (C)

SUBJECT: SS WILSON B. KEENE;

SS HIGH FLYER;

SS GRANDCAMP

ADMIRALTY NUMBERS 1868, 1869, 1870

ADMIRALTY MATTER

(OO: HOUSTON)

RE: New Orleans letter to Bureau, 4/18/62.

In view of referenced letter, the Houston Division is considering this matter closed.

② - Bureau
1 - Houston

JJD/lc
(3)

801-X3

REC-21

131-363-147

16 MAY 14 1962

3-18-430-157



62 MAY 18 1962

3-18

JK